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Membership Growth

New Member sites* processed in FY18 (July 1, 2017 – June 30, 2018) 379
Member sites in FY17 that renewed in FY18 1,394
Total Member sites processed in FY18 1,773
Retention Rate for FY18** 86.2%

*New Member sites are defined as sites that did not have a membership in FY17, but have a membership in FY18.
**Retention is based on FY17 total membership processed of 1,618.

Membership Breakdown by Category

<table>
<thead>
<tr>
<th>Category</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Full Member</td>
<td>987</td>
</tr>
<tr>
<td>Affiliates</td>
<td>312</td>
</tr>
<tr>
<td>Associate</td>
<td>366</td>
</tr>
<tr>
<td>Corporate</td>
<td>84</td>
</tr>
<tr>
<td>Government/Agency</td>
<td>10</td>
</tr>
<tr>
<td>International</td>
<td>5</td>
</tr>
<tr>
<td>Non-Profit</td>
<td>4</td>
</tr>
<tr>
<td>Union</td>
<td>5</td>
</tr>
</tbody>
</table>

**TOTAL: 1,773**

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

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY15</td>
<td>2,846*</td>
</tr>
<tr>
<td>FY16</td>
<td>1,551</td>
</tr>
<tr>
<td>FY17</td>
<td>1,618</td>
</tr>
</tbody>
</table>

*FY15 membership was high due to complimentary memberships given to old VPPPA sites.

<table>
<thead>
<tr>
<th>Retention Rate</th>
<th>FY15</th>
<th>FY16</th>
<th>FY17</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retention Rate</td>
<td>84.5%*</td>
<td>47.2%**</td>
<td>83.9%</td>
</tr>
</tbody>
</table>

*FY15 membership was high due to complimentary memberships given to old VPPPA sites.
**FY16 retention was low due to due non-renewals of the temporary, free membership from FY15.
**Member Benefits**

Members continued to receive their valuable benefits over the course of the year including discounted registration rates to the annual Safety+ Symposium 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**

- **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.

**Discounts**

Members receive discounts on various educational opportunities throughout the year such as:

- **Safety+ Symposium**
- **VPPPA Regional Conferences**
- **Webinars**
- **Columbia Southern University** - VPPPA members receive a 10% discount on tuition. In addition, members do not have to pay the application fee, and also receive free textbooks.

**Publications**


**The Leader**

VPPPA’s trade publication, *The Leader*, continued to be a success in FY17. In June, *The Leader* was honored as a winner in Association Media & Publishing’s (AM&P) 38th Annual EXCEL Awards. *The Leader* won the Magazine Feature Article category with the entry: “Tech Tools for the Safety Professional” by Rob Brauch, which was published in the Winter 2017 issue of the magazine that centered on the theme, “The Future of Safety.”
In addition to the magazine’s standard columns, the following topics covered were:

**Summer 2017 – International Safety**
- Global Safety & Health Watch: Don’t Snooze? You Will Lose.
- One Size Does Not Fit All
- Zero Falls at Worksites and How to Get There
- How to Make the Most of Your Time at International Safety Conferences
- One Common Language: Safety
- Navigating Through Training Challenges with Global Implementation
- VPP Journey: Our Commitment to Improving Employee Safety (story from Delta Air Lines)

**Autumn 2017 – Safety, Health & Animals**
- Global Safety & Health Watch: The Canary is Still in the “Coal Mine”
- Pets Helping People: Service and Support Dogs
- The U.S. Navy’s Combat Dolphins Are Serious Military Assets
- To Pet or not to Pet
- Creating Safety Through Control: Dog Training Tips
- Washington Update: From the Hill

**Winter 2018 – Women in Safety**
- Global Safety & Health Watch: The Gender Pay Gap Around the Globe
- Attending the Energy Executive Women’s Program
- A Woman in Safety
- Personal Protection Equipment for Women: Hot Stuff Safetywear Launches First Collection
- A History of Powerful Women in Construction
- Working Extra Hard to Get Women Involved
- Goal Setting for Safety Professionals
- VPP Journey: Marine Corps Air Facility Quantico

**Spring 2018 – Profiles in Safety (Annual Safety+ Symposium issue, placed in all attendee bags)**
- Global Safety & Health Watch: Celebrating Safety & Health Around the World
- The Buried Truth About Human Factors
- Sharing Stories, Saving Lives
- The Real Cost of Safety
- 410 Tiny Lead Balls and .246 Seconds
- “Please God, Don’t Let Me Die!”
- The Ripple Effect
- Storytime or a Learning Opportunity?
- OSHA Safe & Sound Campaign (promotional article as part of partnership)
- Washington Update – Ideas and Actions for VPP’s Future: Recommendations from OSHA’s VPP Stakeholders (message from Doug Kalinowski, OSHA)
Membership Report

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 the website 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 FY18. The most popular was the #VPPPAnimals contest via Facebook. Members submitted photos of their beloved pets. The contest had over 20 entries and over 250 “likes.”

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 FY19.

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 FY18 covering the following topics:

- Annual Self Evaluation
- OSHA Recordkeeping
- NFPA 70E and Human Error
- Recommended Practices for Safety & Health Programs
- Identifying Cultural Hazards: Four Clues You Are Out of Balance
- Perception Surveys at Major Construction Projects
Membership Report & Sponsorships

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.

Sponsorships
The 2017 Safety+ Symposium, formerly called the 33rd Annual National VPPPA Conference, held in New Orleans, LA, had a total of 41 sponsors and contributors. Cash contributions totaled $193,510.

The 32nd Annual National VPPPA Conference had a total of 54 sponsors and contributors. Cash contributions totaled $225,010.

<table>
<thead>
<tr>
<th></th>
<th>Amount</th>
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<tbody>
<tr>
<td>2015 VPPPA National Conference</td>
<td>$240,652.25</td>
</tr>
<tr>
<td>2016 VPPPA National Conference</td>
<td>$225,010.00</td>
</tr>
<tr>
<td>2017 Safety+ Symposium</td>
<td>$193,510.00</td>
</tr>
</tbody>
</table>
Thank You to our 2017 Safety+ Symposium 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

**GOLD LEVEL SPONSORS**
($5000 - $7,499)
- Cintas
- COSS
- Honeywell
- Hunter Douglas
- Mary Kay
- McWane
- Raytheon

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

**BRONZE LEVEL SPONSORS**
($1,000 - $2,499)
- CH2M
- Chevron Phillips
- Covanta
- Essilor
- Flint Hills
- Georgia Pacific
- LyondellBasell
- Phillips 66
- Roco Rescue
- S&B
- Sam Carbis Solutions Group
- Sherwin Williams
- Southwire
- The Mundy Companies

**CONTRIBUTOR LEVEL SPONSORS**
(Under $1,000)
- Clearwater Paper
- EHS Excellence
- McKee Foods
- Morton Salt
- North Star Battery
- RNR Rescue
- Southwest Generation
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 FY18, VPPPA received a total of $3,909 in scholarship donations.

The following entities donated a total of $215 to the scholarship fund:

- EII, Inc., Infineum Bayway Chemical Plant
- Front Range Steel, Inc.
- Jim Price (Individual)
- Solvay Specialty Polymers, USA

VPPPA would also like to thank all the individuals who made contributions toward the scholarship program by purchasing a raffle ticket during the 2017 Safety+ Symposium. A total of $3,694 worth of raffle sales were accrued during the symposium.
Scholarship Winners
Four students were recognized at the 2017 Safety+ Symposium in New Orleans, Louisiana.

**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 2017 June Brothers Scholarship was **Alexandra Crabb, Wappapello, Missouri**.

**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 2017 Stephen Brown Scholarship was **Maria Ellinger, Pasco, Washington**.

**William “Sully” Sullivan Scholarship**
During the February 2007 VPPPA National Board of Directors meeting, the board established the VPPPA William “Sully” Sullivan Scholarship. This scholarship is intended to recognize an employee at a VPPPA Full member site who has made significant contributions to VPP at his/her site. This scholarship is open to employees enrolled in or enrolling in a vocational school, college or university. The 2017 William “Sully” Sullivan Scholarship was awarded to **Jackson Steele Owens, Tucson, Arizona**.

**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 2017 Sergeant Safety Scholarship was awarded to **Robin Henle, Richland, Washington**.
2017 VPPPA Annual Awards
The VPPPA Annual Awards consist of three categories: VPP Outreach, VPP Innovation and Safety and Health Outreach.

VPP 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 2017 VPP Outreach Award recipient was Hendrickson Mitchell Ergo Team, Mitchell, South Dakota.

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 2017 VPP Innovation Award recipients were East Tennessee Technology Park—UCOR, Oak Ridge, Tennessee and Washington River Protection Solutions, 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 2017 VPPPA Safety and Health Outreach Award recipients were East Tennessee Technology Park—UCOR, Oak Ridge, Tennessee and Idaho National Laboratory—Battelle Energy Alliance, Idaho Falls, Idaho.
2017 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 2017, ten individuals were honored with the VPPPA Safety & Health Achievement Award at the Safety+ Symposium in New Orleans, Louisiana:

- Curtis Crenshaw, Savannah River Nuclear Solutions, Aiken, South Carolina
- Darrell Freeman, Savannah River Nuclear Solutions, Aiken, South Carolina
- Dwayne Carter, HII-NNS, Newport News, Virginia
- Edward Szela, GE Healthcare Electric Avenue, Milwaukee, Wisconsin
- Loretta Williams, Savannah River Nuclear Solutions, Aiken, South Carolina
- Maggie Yarborough, HII-NNS, Newport News, Virginia
- Marcus Hills, HII-NNS, Newport News, Virginia
- Nicholas Mueller, GE Healthcare Electric Avenue, Milwaukee, Wisconsin
- Paul Lux, HII-NNS, Newport News, Virginia
- Robert Knoll, GE Healthcare Electric Avenue, Milwaukee, Wisconsin
2017 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:** The Cartamundi Team, Cartamundi, LLC, East Longmeadow, MA

**Region III:** Frank Ragone, Cintas Corporation, Jessup, MD

**Region IV:** Mississippi Gulf Coast / Southeast Louisiana Voluntary Protection Program Council (Sponsored by VPP Participants at Stennis Space Center, Mississippi)

**Region VI:** Lesli Trahan & Dale Miller, Chevron Phillips Chemical Company Cedar Bayou, Baytown, TX

**Region VII:** Terry Bass, Ply Gem, Kansas City, MO
Educational
Events

2017 Safety+ Symposium, previously called the 33rd Annual National VPPPA Safety & Health Conference

The 2017 Safety+ Symposium (formerly called the 33rd Annual National VPPPA Safety & Health Conference), held in New Orleans, LA, drew together more than 1,800 of the industry’s top safety and health professionals. Attendance was greatly affected by Hurricane Harvey, but in true VPP spirit, attendees, exhibitors, speakers, sponsors, board members and staff all came together to make the most of the week spent together in New Orleans.

More than 100 workshops were offered over the course of four days, and with the assistance of our attendees, all cancelled workshops were rapidly replaced. The Safety+ Mobile App became a lifesaver as a communication tool, and as such, had an average download rate of more than 60%. Networking events were heavily attended and enjoyed by everyone, including excellent local cuisine and music. Our opening and closing speakers focused on the importance of safety in our everyday lives outside of work and how our decisions impact everyone around us through multiple avenues.

VPPPA was excited to partner with the Louisiana Governor’s Safety & Health Conference (LGSCH). The LGSCH offered workshops throughout Safety+. Also, their exhibitors were located together in one area of the expo hall.

While the hurricane posed some unique challenges, overall the symposium was a success and the volunteer efforts of our attendees to directly assist those affected by Harvey were deeply appreciated.
Educational Events

Webinars

There were 6 webinars in FY17 covering the following topics:

- Annual Self Evaluation
- OSHA Recordkeeping
- NFPA 70E and Human Error
- Recommended Practices for Safety & Health Programs
- Identifying Cultural Hazards: Four Clues You Are Out of Balance
- Perception Surveys at Major Construction Projects
VPPPA Expo 2017
Exhibitors

- 24 HR Safety
- 3M Fall Protection Business
- Accelerated Development Systems Inc. (ADSI)
- Accuform Signs, Inc.
- Aeroflow Healthcare, Inc.
- Airfeet/ Majestic Glove
- Airgas On-site Safety Services, Inc.
- Alert Safety Products
- Allcomm Wireless, Inc
- Allegro Industries
- Alliance Safety Council
- Always In Mind, Inc.
- American Society of Safety Engineers
- Ampco Safety Tools
- AngioScreen
- Ansell
- AnythingWeather Communications, Inc.
- Armor Guys Inc.
- Armourx Safety Inc.
- Art-Craft Optical
- ATI Worksite Solutions
- Avetta (Formerly PICS Auditing )
- AVO Training Institute, Inc.
- Banom, Inc.
- BeAed LP
- Beagle 1, Inc.
- Belt Conveyor Guarding
- BIC Alliance
- BlackBerry
- Blackline Safety
- Board of Certified Safety Professionals
- Bolle’ Safety
- Brandenburg Industrial Service Company
- BROWZ, LLC
- Bullex
- Bulwark Protective Apparel
- C.A. Short Company
- C3 Softworks
- CBS ArcSafe, Inc.
- Cementex Products, Inc.
- Certags, LLC
- Cinch WRX
- Columbia Southern University
- Concept Seating, a Division of Laacke & Joys
- Conney Safety Products
- COSS
- Crown Matting Technologies
- CTEH, LLC.
- Deb USA Inc.
- DEKRA Insight
- Dentec Safety Specialists
- Destination Zero Deaths (by LCTS @ LTRC/Interdisciplinary College of Engineering at LSU)
- DiVal Safety Equipment
- DragonWear
- Dupont Personal Protection
- EHS Excellence Consulting LLC.
- Elvex Corporation
- Encon Safety Products, Inc.
- ERB Safety
- Ergo Advantage
- ergoCentric
- Essilor Prescription Safety Eyewear
- eTracker
- Forestry Suppliers, Inc.
- Fusion Safety and Business Solutions Incorporated
- G.S. Consulting
- Gas Clip Technologies
- Gateway Safety, Inc.
- Gensuite LLC
- Georgia-Pacific LLC
- Gravitec Systems, Inc.
- Guardian Equipment
- Guard-Safe Guarding
- Gulf Coast Occupational Medicine
- HalenHardy LLC
- Hammerhead Industries, Inc.
- HEMCO Industries
- Honeywell Safety Products
- Houston Area Safety Council (HASC)
- HOYA Safety Division
- Hy-Safe Technology
- Hytorc Corporate
- Industrial Psychologists, Inc.
- Industrial Safety & Hygiene News (ISHN)
- Industrial Safety Training Council
- Industrial Scientific Corporation
- inFront
- Innolytics, LLC
- inoLECT, LLC
- IRONguard Safety Products
- ISN
- J&M Distribution
- JCL Safety Services
- JLG Industries, Inc.
- Jokater
- JUSTIN FR WORK APPAREL
- Kee Safety Inc.
- KeepSafe, Inc.
- Kinetic
- Kinetic Edge
- Klever Innovations
- Knowledge Vine
- Lehigh CustomFit
- Lewellyn Technology
- Liberty Glove & Safety
- Louisiana Workforce Commission - OSHA Consultation
- LSU Continuing Education
- LWCC
VPPPA Expo 2017 Exhibitors (cont.)

- Majestic Glove
- Mapa Professional
- Martin Technical, Inc.
- MCR Safety
- MEGACOMfort
- Meltric Corporation
- Moldex-Metric, Inc.
- Mount Vernon Mills
- NASCO Industries, Inc.
- National Marker Company (NMC)
- Neese Industries, Inc.
- Newson Gale Inc
- Nexteq, LLC
- Notrax – Mats for Professional Use
- OccuNomix International LLC
- OEL Worldwide Industries
- OHD, LLLP
- OneSource EHS, LLC
- Portwest LLC
- ProgressiveHealth
- Protective Industrial Products, Inc.
- PS Doors
- Pureflo
- R J Lee Group
- Red Wing Brands of America
- RedGuard
- Remote Solutions, LLC
- Rite-Hite Corporation
- RNR Rescue
- Roco Rescue
- SafeRack, LLC
- SafeStart
- Safety Pros (Formerly Grits Gang)
- Safety Rail Company LLC
- SAFETYCAL, Inc.
- Safetypro Resources, LLC
- SafeVision, LLC
- Saf-Tech, Inc.
- Safeway Group
- Sam Carbis Solutions Group, LLC
- Scott Safety
- Select International
- Shermco Industries, Inc.
- SiteHawk
- SKEDCO
- SLICE, INC.
- SlipNOT® Metal Safety Flooring
- Snap-on Industrial
- Steel Grip, Inc.
- Superior Glove Works
- Sure Foot Corporation
- Survive-a-Storm Shelters
- Systran, Inc.
- Tec Laboratories Inc.
- Texas A&M Engineering Extension Service (TEEX)
- The Andersen Company
- The Sqwincher Corporation
- Total Safety
- TSI Inc.
- Tuff-N-Lite
- Tyndale Enterprise, Inc
- U.S. Department of Energy - VPP
- U.S. Department of Labor, OSHA
- U.S. Safety
- Uniguard Machine Guards
- UT Arlington OSHA Education Center
- VelocityEHS
- Veolia North America
- Visual Workplace, LLC
- VPPStore.com powered by CompleteSourceSafety
- Walman Optical
- Wells Lamont Industrial
- Wendy’s Safety Boutique by JR Resources
- Westex by Milliken
- Working Concepts, Inc.
- Workrite Uniform Company
- Worrell Bros. Promotional Products, LLC
- WRS- WebbRite Safety
- ZOLL Medical Corporation
Throughout FY18, the association participated in the following trade shows and outreach events:

The association exhibited or attended:

- NSC, September 24 – 26, 2017
- Virginia Occupational Safety & Health Conference, October 18 – 20, 2017
- Kentucky Safety Conference, May 8 – 9, 2018

We were unable to attend many outreach events due to overlap with VPPPA regional conferences.
VPP Legislation

The VPP Act has its highest support ever, with 71 Members signed on to the bill, including 37 Republicans and 33 Democrats signed on to H.R. 1444, and a Republican and a Democrat signed on to S. 1878. We are focusing efforts on moving the bills in committee, while continuing grassroots efforts with electronic letters to Members and corporate executive letters to House and Senate leadership.

North Carolina became the fifth state to enact the VPP Act, joining Indiana, Virginia, Arizona and Maryland. We will approach the Labor Commissioners of Iowa and Tennessee to do the same at the 2018 VPPPA Safety+ Symposium in Nashville, Tennessee.

Continued VPP Funding

The House Appropriations Committee reported a budget bill that includes $3.5 million in funding for VPP, which matches the budget in the 2016 Congress. OSHA has since estimated that it likely spends $5 million to $6 million.

The lower estimate in the appropriations bill should not be a factor at this time, as the Trump Administration has demonstrated a commitment to VPP expansion, requesting 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 Trump 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.
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.

OSHA Deputy Assistant Secretary Loren Swett attended two meetings of the VPPPA Board of Directors and reported that she is impressing on her Regional Directors that they are to clear backlogs, and VPP sites have noticed aggressive movement in previously lagging regions.

Increased Attention to VPP

OSHA has held two open forums (including one at the last VPPPA Annual Conference) to ask for input on how to improve the program going forward. The agency appears inclined to utilize Special Government Employees more in order to boost the ranks of the 2,200-plus employers already in VPP, and it has encouraged regions to clear backlogs of VPP applicants awaiting certification.

Congress has also demonstrated more support than ever for VPP. In a recent hearing of the House Subcommittee on Workforce Protections, the Chairman opened the hearing with his compliments for a VPP worksite he visited recently.

While the nomination of Assistant Secretary of Labor designee Scott Mugno has not yet cleared, U.S. Labor Secretary Alexander Acosta committed to addressing the 2018 Safety+ Symposium.
Region I - CT, MA, ME, NH, RI, VT
VPPPA Region 1 Safety & Health Excellence Conference & Exposition
Seacrest Beach Hotel, North Falmouth, MA
May 7 – 9, 2018

Keynote Speakers: Bob Veazie, President of People Powered Leadership and Gary Higbee, author of Inside Out: Rethinking Traditional Safety Management Paradigms

There were approximately 250 attendees and 30 exhibitors. There were two pre-conference workshops: VPP Application and Strengthening Star Quality. Three scholarships were awarded. The Eric Bartsch Memorial Safety & Health Scholarship was awarded to Jessica Strzempeko in Holliston, MA. Jessica is a daughter of a Raytheon Employee. The Caswell Plante Academic Excellence Scholarship was awarded to Daniel Morton of Hudson, MA. Daniel is the son of a Raytheon employee. The Joseph Gervais Memorial Community Service Scholarship was awarded to Ryan Horgan of Wilmington, MA. Ryan is the son of a Raytheon employee.

Elections took place during the annual conference. Mike Avery from Cartamundi, East Longmeadow, MA, was re-elected into the Vice-Chair role. Deb Bowie of Coca-Cola, Northampton, MA, was re-elected as Secretary. Bruce Gove of UTAS, Windsor Locks, CT was re-elected as an Hourly Rep of a Site with a CBA. Cindy Raspiller of Raytheon, Andover, MA, was re-elected as a Director-at-Large. Glen Garfield of UTAS, Windsor Locks, CT, was elected as a Director-at-Large. Alice Tatro of Acushnet Golf, Fairhaven, MA, stepped down from her Director-at-Large position. There is still an open Director-at-Large position that the Board is trying to fill.

Raytheon of MA was also presented with OSHA’s Regional Administrator Award at the VPPPA Region 1 Safety & Health Excellence Conference & Expo. Jack Popp of Cartamundi, East Longmeadow, MA, was recognized as the Region 1 SGE of the year and Alice Tatro of Acushnet Golf in Fairhaven, MA, was recognized as the Region 1 Mentor of the year.

Region IV - AL, FL, GA, KY, MS, NC, SC, TN
The 28th Annual Region IV VPPPA Safety and Health Excellence Conference was held June 19–21 in beautiful Biloxi, Mississippi. Keynote Speakers were Scott Lesnick and Terry Gray. There were 438 in attendance, with 50 exhibitors.

The conference began with 29 VPP site employees completing training and being sworn in as Special Government Employees (SGE). SGEs are valuable assets to OSHA and the VPP Program. We congratulate these individuals and thank them for their service to the VPP Program. The conference offered a number of Pre-Conference Workshops which were well attended by a number of conference participants.
The Conference Opening Session ended with a motivational speech from international speaker Scott Le- snick. Scott’s engaging and entertaining message really set the tone for the conference. The conference offered 46 individual breakout session workshops on a variety of topics. A great deal of knowledge-exchange occurred during these workshops.

Every year the Region IV Board of Directors hosts a networking event during our conference. We get a great deal of feedback that those who choose to attend greatly enjoy the opportunity to network as well as have a little fun. This year’s event was no exception! The event was entitled the “Luau at the Beau,” and was an exciting fun filled evening of Jimmy Buffet-style music and incredible food.

Concluding the conference this year was closing keynote speaker Terry Gray. Terry’s impassioned speech reminded us of the importance of what we do, and motivated us to continue moving forward being HEROS in our workplaces and communities. The unsafe act or condition you address today, just might prevent a fatality tomorrow.

Region V - IL, IN, MI, MN, OH, WI
2018 OSHA, Labor and Management Safety and Health Conference
Indiana Convention Center, Indianapolis, IN
May 22-24, 2018

Keynote Speakers: Dan Clark, Kayla Rath and Brad Livingston
There were 443 attendees and 46 exhibitors. There were four pre-conference events/workshops held. These included a VPP Star worksite tour at RR Donnelley in Crawfordsville, IN; Industrial Hygiene 101 training course; VPP Application Workshop; and SGE training course. There were 40 breakout sessions held on a wide range of safety and health topics during the conference. There was a very good turnout for the welcome reception and the opening of the exhibitor hall. George Rogers, Senior Director from Eli Lilly and Company provided the welcome remarks.

The Region V Board collaborated with the Region V OSHA Office to develop and implement a plan to reduce the VPP new applications and re-certifications backlog within the region. This involved assisting with the planning and coordinating efforts between the Region V VPP Program Manager, VPP companies and/or applicants and SGE’s. The execution of the plan has resulted in a significant decrease in the Region V VPP backlog and the work continues.

Region V had representation during the outreach activities on Capitol Hill.
Region VI - AR, LA, NM, OK, TX
Region VI – AR, LA, NM, OK, TX
2018 Annual VPP Safety & Health Conference
Fort Worth Convention Center
April 30–May 3

Keynote Speakers: Brad Nieder – CSP, MD (Known as the Healthy Humorist) and Guest Speaker NBA All Star Mark Eaton

We received several positive comments on our speakers this year. Healthy Humorist, Brad Nieder – CSP, MD, kicked our conference off with the message that laughter is good for you and tied safety into it. Attendees left the Opening General Session pumped up!! Our guest speaker, NBA All Star Mark Eaton was inspirational in teaching us skills to develop good character traits that can be used in the safety field. He spoke to us about how to achieve success in team work. He left us with a quote from Coach John Wood- en, “A player who makes a team great is more valuable than a great player.” There were 1,175 attendees at the conference, which was more than anticipated, and we featured 102 Exhibitors/Organizations. There was a vacancy on the board. Brad Gibson with S&B Engineers and Constructors was elected to fill that position.

We offered an SGE Class prior to the conference with 32 in attendance. We also offered 7 Pre-Conference Workshops as well as offered attendees an opportunity to have some fun during Casino Night. For people who weren’t interested in gambling, we had a Western-themed Photo Booth and a Corn Hole Toss game during Casino Night. Our Awards Reception was held again this year, and we gave out 251 well-deserved awards!

Region VI did something different this year regarding promoting/educating VPP and raising funds for our scholarships. Instead of having a golf tournament during the conference we decided to hold a separate event at a different time during the year. It was brought to our attention that while we do a good job of promoting VPP and educating people on the importance and value of it, we only do so as a group during our conferences. It was suggested that we hold an event other than the conference and the golf tournament fit right into that. During the conferences we were having trouble accommodating everyone as far as who was available to play no matter how many times we adjusted the day and/or time of the tournament. We held our 1st Annual Swinging for Safety Golf Tournament on September 28, 2018. During the tournament we had PGA Long Drive World Champion Ian Griscom at one of the holes to help us raise money for our scholarship fund. He hit everyone’s drive no matter if people donated or not and they could play from his ball. But if a team donated $200 or more they qualified for an automatic eagle on that hole and for a chance to win a trip for two, airfare and hotel included, to play three golf courses in Pebble Beach. The players had a great time watching him swing his clubs and helped us raise over $1,800 extra!!!
Region VI VPPPA was represented throughout the year by setting up our Outreach and Education booth at Tulsa, Ok; Oklahoma Safety Conference in Woodward, OK; Houston Business Roundtable Tailgate Event, Texas Chemical Council Conference in Galveston, TX.

Region VI members of the association support the National VPPPA Board by participating on the Labor Management, Member Services, Legislative & Regulatory, Conference Planning, Awards & Achievements and Construction Committees. We also have representation on the National VPPPA Board of Directors.

Region VI has also participated in outreach activities on Capitol Hill, which we highly support and will continue to do so.

**Region VII - IA, KS, MO, NE**
The 2018 Region VII Conference was held May 21-23, 2018 in La Vista/Omaha, Nebraska, at The La Vista Convention Center/Embassy Suites. This is the second year the re-branded conference was presented as “The Midwest Safety and Health Conference and Expo”. With the new branding objective in place, we strive to offer a regional ES&H conference not only to attendees involved with the VPP program, but also to safety professionals throughout the Midwest. We had record attendees for the VPP Application Workshop and SSQ Workshop respectively. These workshops assist those interested in joining the VPP, reviewing their self-evaluation process and sustaining and improving their overall safety programs. In turn, we had a record number of on-site registrations as well. The conference Opening General Session Keynote Speaker was the inspiring Olympian - Wrestling Gold Medalist Rulon Gardner. 30 workshops were presented with keynote sessions covering “Human Trafficking Education (dangers of this growing risk) and Live Electrical Demonstration by Westar Energy. Many awards were presented with Jacey Olmer of Nebraska receiving the annual $5,000 scholarship.

The Region VII Board presently has four vacancies to fill.

The 2019 Region VII Conference is scheduled to be held May 20-22 in Wichita, Kansas, for the very first time. We look forward to offering a new, fresh conference at a new location and venue.

**Region VIII - CO, MT, ND, SD, UT, WY**
2018 Region VIII VPPPA Safety Summit
Little America, Cheyenne, WY
May 8-10, 2018
The first conference held outside of Colorado was very successful! Once again, an increase was experienced in sponsorships, workshops, vendors and overall attendance. Along with Utah OSHA and Regional OSHA attendance, the Wyoming OSHA Deputy Administrator and VPP Manager were also in attendance.

Tony Crow was the opening speaker and Sam Glen closed the conference.

Region VIII Strengthening Star Workshop topics included:

- How to complete a good annual review and prepare for recertification
- Machine Guarding
- Brian Games

Three activities were held after conference hours and had high attendance. (Breakout sessions were categorized this year as to assist attendees in choosing sessions to attend.)

Categories:

- Frontline Leader/Leadership
- High Impact/Safety Series
- Best Practices in Safety
- VPP Safety Element
- High Demand

The 2019 Safety Summit will be held in April 2019 in Salt Lake City, UT.

Current Region VIII Board Members:

Chair - Christina Ross
Vice Chair - Shelly Ettel
Secretary - Holly Hodnik
Treasurer - Scott Stice
Director at Large #1 - Jenni Lubers
Director at Large #2- Mark Moya
Site Rep with a Union - Zach Valdez
Site Rep without a Union - Adam Hotzel

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 Memo-ri-al, NDSC, UT Safety Council, as well as Ft. Carson (Army) Safety Day to name a few.
Region IX - AS, AZ, CA, GU, HI, NV

2018 Region IX VPPPA Safety Summit
Hyatt Regency La Jolla, CA
March 13-16, 2018
Keynote Speakers: Matt Pomerinke and Bruce Wilkinson

Another great summit in the books, including informative breakouts, inspiring keynote speakers, an insightful panel of VPP Plant Managers, a packed exhibit hall and 5k fun run!

There were several changes made to the Board of Directors during the annual meeting of the membership. The 2018 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, Guillermo Damasco, P66 – 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, Paul Modjesky, Valero, Jodi Jondahl, Raytheon, and Don Bracken, Raytheon.

Region IX Participated in numerous state plan outreach events this year and continued fostering and developing mentorships throughout the region. Partnerships with Hawaii were strengthened in 2018 with outreach and participation alongside HIOSH at the Pacific Rim Safety and Health Conference in Honolulu, HI.

Region X - AK, ID OR, WA

During the Region X Northwest Safety and Health Summit held in Anchorage, Alaska, Cliff Butler of Sherwin Williams, Portland, Oregon, was recognized as the Region X VPPPA Mentor of the Year. Rocky Simmons of Mission Support Alliance of Richland, Washington and Chairperson for the Region X VPPPA was recognized as the Region X Special Government Employee of the Year. On September 5, 2018 Region X VPPPA BOD received notification from the Alaska Chief of Consultation Safety & Health Training, that Scott Damerow is now the Safety Consultant and VPP Coordinator for Alaska Occupational Safety & Health (AKOSH).
Achievement and Awards Committee
In FY18, the VPPPA Scholarship fund became self-sustaining and marked the first year since its inception, by National Board approval, to have scholarships paid out directly from the fund.

The award winners for 2017 were announced during the 2017 Safety+ Symposium. A special ceremony and reception took place on Monday before the official start of the national symposium and winners were recognized again during the Opening General Session. The awards, scholarship and achievement winners are listed on pages 10-12 of this annual report.

The second half of the FY18 year was spent focusing on the application process and evaluations for the 2018 submissions.

The applications for 2018 were reviewed and evaluated at the end of the Fiscal Year 2018 (June 2018). Award winners from 2018 will be announced at the 2018 Safety+ Symposium.

Body of Knowledge Committee
The Body of Knowledge Committee was formed in conjunction with the 2022 Strategic plan, to create a body of knowledge portal on the website to be used as a reference and archive of collected wisdom, experience, processes and facts to provide a solid foundation for continuous improvements and innovative changes. Since its inception, the committee has worked to define the Association’s body of knowledge, assemble and organize existing content, and has also explored the creation of a mobile app to make the body of knowledge more accessible.

Contractor (formerly Construction) Committee
The Construction Committee was renamed the Contractor Committee in 2018. The change was made to include member companies that are contractor companies that support construction.
Committee members’ companies participated in the National Stand-Down for Fall Protection in May 2018. This year’s participation resulted in numerous VPP companies participating in this highly successful campaign. Plans are in place to participate in 2019.
VPPPA National Board of Directors’ Committees

The Committee organized speakers to present at the Region VI Conference and Safety+ Symposium in 2018. Three member contractor companies presented best practices used by their companies. Presentations were provided by S&B Engineers and Constructors, Shermco and The Brock Group.

Throughout 2018, the Contractor 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.

Labor and Management Committee

Over the past year members of the Labor Management committee presented workshops at their Regional Conferences. We also had two committee members retire: Don Johnson the L&M Committee Chairperson, and Charter member Kent Lang. Mike Seela took a new position and resigned from the committee. Jack Griffith, the new L&M committee chairperson, requested all Regional Chapter Chairs solicit their members for candidates interested in joining the committee. The committee is in need of representation for bargaining, non-bargaining, management and non-management. Katlyn Pagliuca, staff liaison for the L&M committee, was asked to confirm the membership status of the committee.

The Workshop, “Before Pulling the Plug,” has been shortened for this year’s Safety+ Symposium to fit a one-hour workshop, a high emphasis is being placed on “Mediation Services” that are available by contacting the National VPPPA office. The Labor Management Forum agenda is still in draft waiting for confirmation of speakers. The committee will be having a committee lunch meeting during the Safety+ Symposium to identify new opportunities for 2019.

Jack Griffith, L&M Committee Chairperson suggested to committee members the need to develop informational articles for The Leader. The goal is to make more people aware “Mediation Services” are available to assist them to resolve issues before they considering pulling out of VPP.

Member Services Committee

The Member services committee has been focusing on membership retention and the best ways to retain/engage VPPPA membership. The top three reasons member don’t renew are:

1.) They are no longer in VPP
2.) Money/budget cuts
3.) They see no value in their membership
   a. Our member benefits need to offer much more than just a discount to conferences.
The committee discussed the following ideas/action items:

- Offer workshop recordings from regional & national conferences.
- Send out blitz from either National and/or Regions touting our member benefits.
- Send out note from the Board of Directors encouraging companies to remain in the association because of the benefits we can offer them. This would come after the final notice of payment from the National Office.
- Look into the cost of having a VPPPA app, not only during the conference, but year-round. Members/affiliates can access the benefits right on their phones.
- Create a generic presentation explaining the member benefits. Presentation can be used at regional meetings and during chapter breakout meetings at national.
- Educate Regions about the benefits of VPPPA.
- Committee members to go through VPPPA website to assess user friendliness.
- Have calendar of events easily accessible.
- Membership department to report to committee membership numbers on monthly basis.

**Mentoring Committee**

VPPPA’s Mentoring program is a member benefit that encourages, assists and develops companies that are striving to achieve safety and health excellence. The program pairs sites that have achieved Star status with sites that are just starting their VPP journey, need additional program guidance or are looking to improve best practices at their facilities. The association’s vast network of Star sites, spanning dozens of industries, utilizes Federal and State Safety and Health Officials, VPPPA Regional Board Members, Regional Coordinators and our passionate membership base of safety and health leaders.

Companies interested in working with a mentor should complete the mentoring form and will then be matched with an appropriate VPP Star site. The mentoring committee coordinators consider similar experiences, industries, geographic location and union representation when choosing prospective mentors.

Representatives at regional conference have done an excellent job of explaining the benefits of the VPPPA and highlighting the Mentorship as a primary focus. Companies have seemed eager to find mentors to assist them with their journey to VPP Approval. There have been 15 requests for Mentors this past year:

- 2 requests from Region I
- 2 requests from Region II
- 1 request from Region III
VPPPA National Board of Directors’ Committees

- 1 request from Region IV
- 1 request from Region V
- 3 requests from Region VI
- 1 request from Region VII
- 4 requests from Region IX

Nominating Committee
The Nominating Committee oversaw the election process and voting procedures at the 2017 Safety+ Symposium in New Orleans, Louisiana. The open positions and candidates accepted by votes of acclamation were:

- Vice-Chairperson: Rob Henson, LyondellBasell, Houston, TX
- Secretary: Terry Schulte, NuStar Energy L.P., Elk Grove, CA
- Director from a Site with a Collective Bargaining Agent: Don Johnson, Phillips 66, Roxana, IL
- Director from a DOE-VPP Site: Stacy Thursby, AECOM, Richland, WA
- Director-At-Large (Three Positions): Dan Lazorcak, Honeywell International, Tempe, AZ; J.A. Rodriguez Jr., Raytheon Company, Dulles VA; Kimberly Watson, Southwire, Carrollton, GA

With Don Johnson’s retirement, the Board appointed Jack Griffith as the Director from a Site with a Collective Bargaining Agent.
2017-2018 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
AECOM, 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 Company
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 Lazorcak
Honeywell International
Tempe, AZ
INDEPENDENT AUDITORS’ REPORT AND FINANCIAL STATEMENTS

JUNE 30, 2018
VOLUNTARY PROTECTION PROGRAMS
PARTICIPANTS’ ASSOCIATION

INDEPENDENT AUDITORS’ REPORT AND FINANCIAL STATEMENTS

JUNE 30, 2018

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<td>For the Year Ended June 30, 2018</td>
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<td>Notes to Financial Statements</td>
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INDEPENDENT AUDITORS’ REPORT

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

We have audited the accompanying financial statements of Voluntary Protection Programs Participants’ Association (a not-for-profit organization), which comprise the statement of financial position as of June 30, 2018, 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 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.
To the Board of Directors of  
Voluntary Protection Programs Participants' Association  
Page 2

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 as of June 30, 2018, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Bundett Smith & Dish LLC

Fairfax, Virginia
October 12, 2018
VOLUNTARY PROTECTION PROGRAMS
PARTICIPANTS’ ASSOCIATION

STATEMENT OF FINANCIAL POSITION
JUNE 30, 2018

ASSETS

CURRENT ASSETS
Cash and cash equivalents ........................................................... $ 669,713
Prepaid expenses ........................................................................ 164,386
Accounts receivable, net ............................................................... 20,485
Total Current Assets .................................................................. 854,584

INVESTMENTS ............................................................................ 4,760,224

PROPERTY AND EQUIPMENT, AT COST ........................................... 547,867
Less: accumulated depreciation and amortization ....................... (347,055)
Total Property and Equipment ................................................... 200,812

OTHER ASSETS
Deposits ....................................................................................... 4,966
Certificate of deposit, restricted .................................................. 13,272
Total Other Assets ..................................................................... 18,238

$ 5,833,858

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES
Accounts payable ........................................................................ $ 26,103
Due to chapters ........................................................................... 71,498
Deferred revenue ....................................................................... 2,256,293
Total Current Liabilities ............................................................ 2,353,894

NON-CURRENT LIABILITIES
Deferred rent .............................................................................. 197,429
Total Non-Current Liabilities .................................................... 197,429

COMMITMENTS

NET ASSETS
Unrestricted ................................................................................. 3,150,012
Temporarily restricted ................................................................. 132,523
Total Net Assets ........................................................................ 3,282,535

$ 5,833,858

The accompanying notes are an integral part of these financial statements.
VOLUNTARY PROTECTION PROGRAMS
PARTICIPANTS’ ASSOCIATION

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2018

<table>
<thead>
<tr>
<th>REVENUE AND SUPPORT</th>
<th>Unrestricted</th>
<th>Temporarily Restricted</th>
<th>Total</th>
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</thead>
<tbody>
<tr>
<td>Registration fees</td>
<td>$ 1,246,115</td>
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<td>$ 1,246,115</td>
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<tr>
<td>Membership dues</td>
<td>655,191</td>
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<td>655,191</td>
</tr>
<tr>
<td>Exhibitor registration fees</td>
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<td>651,765</td>
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<tr>
<td>Sponsorship revenue</td>
<td>203,510</td>
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<td>203,510</td>
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<tr>
<td>Advertising revenue</td>
<td>103,526</td>
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<td>103,526</td>
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<tr>
<td>Contributions</td>
<td>-</td>
<td>3,909</td>
<td>3,909</td>
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<td>Investment income, net of expenses</td>
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<td>Other</td>
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<td>2,864,237</td>
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<table>
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<tr>
<th>EXPENSES</th>
<th>Unrestricted</th>
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<tbody>
<tr>
<td>Program services</td>
<td>2,459,733</td>
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<tr>
<td>Support services:</td>
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<tr>
<td>Management and general</td>
<td>269,910</td>
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<tr>
<td>Unallocated payments to chapters</td>
<td>27,891</td>
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<tr>
<td></td>
<td>2,757,534</td>
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<td>Change in Net Assets</td>
<td>117,999</td>
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<th>NET ASSETS, BEGINNING OF YEAR</th>
<th>Unrestricted</th>
<th>Temporarily Restricted</th>
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<tr>
<td></td>
<td>3,032,013</td>
<td>139,910</td>
<td>3,171,923</td>
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<tr>
<td>NET ASSETS, END OF YEAR</td>
<td>$ 3,150,012</td>
<td>$ 132,523</td>
<td>$ 3,282,535</td>
</tr>
</tbody>
</table>

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

**Voluntary Protection Programs Participants’ Association**

**Statement of Functional Expenses**

For the Year Ended June 30, 2018

<table>
<thead>
<tr>
<th>Item</th>
<th>Conference</th>
<th>Membership</th>
<th>Newsletter</th>
<th>Chapters</th>
<th>Outreach</th>
<th>Safety and Health</th>
<th>Courses</th>
<th>Government Affairs</th>
<th>Other Programs</th>
<th>Total Programs</th>
<th>Management and General</th>
<th>Unallocated Payments to Chapters</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Advertising</td>
<td>$105,038</td>
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<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$105,038</td>
<td>$30,000</td>
<td>$0</td>
<td>$105,038</td>
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<tr>
<td>Audio visual</td>
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<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$147,549</td>
<td>$0</td>
<td>$0</td>
<td>$147,549</td>
</tr>
<tr>
<td>Awards and gifts</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Bank charges</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Credit card charge</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Employee benefits</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Fees and taxes</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
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<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Insurance</td>
<td>$7,782</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
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<td>$0</td>
<td>$0</td>
<td>$7,782</td>
<td>$0</td>
<td>$7,782</td>
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<tr>
<td>Leased equipment</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Meals and entertainment</td>
<td>$660,023</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$660,023</td>
<td>$0</td>
<td>$0</td>
<td>$660,023</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>$96,324</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$96,324</td>
<td>$0</td>
<td>$0</td>
<td>$96,324</td>
</tr>
<tr>
<td>Office supplies</td>
<td>$2,303</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
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<td>$0</td>
<td>$2,303</td>
<td>$0</td>
<td>$0</td>
<td>$2,303</td>
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<tr>
<td>Overhead allocation</td>
<td>$152,611</td>
<td>$132,611</td>
<td>$68,958</td>
<td>$68,958</td>
<td>$47,740</td>
<td>$47,740</td>
<td>$31,027</td>
<td>$31,027</td>
<td>$530,445</td>
<td>$530,445</td>
<td>$530,445</td>
<td>$530,445</td>
<td>$530,445</td>
</tr>
<tr>
<td>Payments to affiliates</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Postage and mailing</td>
<td>$9,307</td>
<td>$3,334</td>
<td>$17,162</td>
<td>$1,039</td>
<td>$0</td>
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<td>$0</td>
<td>$35,899</td>
<td>$671</td>
<td>$27,091</td>
<td>$27,091</td>
</tr>
<tr>
<td>Printing and artwork</td>
<td>$27,007</td>
<td>$15,376</td>
<td>$40,754</td>
<td>$0</td>
<td>$0</td>
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<td>$0</td>
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<td>$0</td>
<td>$83,217</td>
<td>$2,504</td>
<td>$80,713</td>
<td>$80,713</td>
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<tr>
<td>Professional services</td>
<td>$158,058</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
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<td>$0</td>
<td>$158,058</td>
<td>$2,391</td>
<td>$155,667</td>
<td>$155,667</td>
</tr>
<tr>
<td>Rent</td>
<td>$12,500</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$12,500</td>
<td>$0</td>
<td>$0</td>
<td>$12,500</td>
</tr>
<tr>
<td>Repair and maintenance</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Salaries and payroll taxes</td>
<td>$127,001</td>
<td>$129,257</td>
<td>$64,128</td>
<td>$64,128</td>
<td>$32,064</td>
<td>$32,064</td>
<td>$32,064</td>
<td>$32,064</td>
<td>$33,320</td>
<td>$513,026</td>
<td>$128,257</td>
<td>$641,283</td>
<td>$641,283</td>
</tr>
<tr>
<td>Scholarships</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Small equipment purchase</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Staff education</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Staff travel</td>
<td>$19,508</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$19,508</td>
<td>$0</td>
<td>$0</td>
<td>$19,508</td>
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<tr>
<td>Telephone</td>
<td>$3,830</td>
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<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$3,830</td>
<td>$0</td>
<td>$0</td>
<td>$3,830</td>
</tr>
<tr>
<td>Temporary services</td>
<td>$1,633,183</td>
<td>$288,049</td>
<td>$191,092</td>
<td>$136,737</td>
<td>$81,084</td>
<td>$66,710</td>
<td>$75,864</td>
<td>$75,864</td>
<td>$11,296</td>
<td>$2,409,731</td>
<td>$269,910</td>
<td>$27,891</td>
<td>$2,677,522</td>
</tr>
</tbody>
</table>

The accompanying notes are an integral part of these financial statements.
VOLUNTARY PROTECTION PROGRAMS
PARTICIPANTS’ ASSOCIATION

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2018

CASH FLOWS FROM OPERATING ACTIVITIES

Change in net assets ............................................................... $ 110,612

Adjustments to reconcile net assets to net cash
provided by (used in) operating activities:

Depreciation and amortization .............................................. 24,377
Amortization of discount on investments ................................. 24,983
Unrealized (gain) loss on investments ...................................... 51,446

(Increase) decrease in:

Accrued interest on investments ........................................... (323)
Prepaid expenses .................................................................. 12,491
Accounts receivable .............................................................. (1,412)

Increase (decrease) in:

Accounts payable .................................................................. 14,398
Accrued payroll .................................................................... (25,153)
Due to chapters ..................................................................... 27,288
Deferred revenue .................................................................... 579,903
Deferred rent .......................................................................... (14,023)

NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES .......... 804,587

CASH FLOWS FROM INVESTING ACTIVITIES

Cash used to purchase fixed assets ........................................... -
Cash used to purchase investments ........................................... (1,540,081)
Cash used in purchases of money market accounts ................. (239,735)
Cash proceeds from sale of investments ................................. 1,560,373

NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES ........... (219,443)

NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS .... 585,144
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR ............... 84,569
CASH AND CASH EQUIVALENTS, END OF YEAR .......................... $ 669,713

SUPPLEMENTAL NON-CASH ACTIVITIES

Rollover of certificate of deposit, at cost .................................. $ 13,272

The accompanying notes are an integral part of these financial statements.
NOTE 1 - Summary of Significant Accounting Policies

Voluntary Protection Programs Participants' Association (the Association) is a not-for-profit organization incorporated under the laws of 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.

Basis of Accounting
The accompanying financial statements are presented in accordance with the accrual basis of accounting, whereby revenue is recognized when earned and expenses are recognized when incurred.

Revenue Recognition
Revenue from membership dues are recognized ratably over the membership year. Dues received prior to the membership period are presented as deferred revenue in the accompanying statement of financial position.

Conference-related revenue includes registration fees and sponsorships. Conference-related revenue received prior to the Association’s annual conference is recorded as deferred revenue in the accompanying statement of financial position and then recognized once the conference has occurred.

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 statement of activities as net assets released from restriction.

Use of Estimates
The preparation of financial statements in conformity with U.S. 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. Significant estimates in the financial statements include the estimated useful lives of property and equipment.

Cash Equivalents
For purposes of the statement of cash flows, the Association considers cash held in the checking account and cash on hand, held outside investment portfolio, to be cash and cash equivalents.

Accounts Receivable
Accounts receivable include amounts due from attendees of the Association’s current year annual conference, regional chapter conferences, and vendor newsletter advertisements. Management reviews accounts receivable on an annual basis to determine the collectability of all receivables. When applicable, an allowance for uncollectible accounts is recorded against accounts receivable in the statement of financial position and is reported as a decrease in net assets. The allowance for uncollectible accounts was $0 at June 30, 2018.
NOTE 1 - Summary of Significant Accounting Policies, Continued

Fair Value of Financial Statements
Accounting principles generally accepted in the United States established a framework for measuring fair value, clarifying the definition of fair value within that framework and expanding disclosure about fair value measurements. U.S. GAAP has established a three-tiered fair value hierarchy with Level 1 representing quoted prices for identical assets or liabilities in an active market, Level 2 representing quoted prices for identical assets or liabilities in a market that is non-active or with other than directly or indirectly observable inputs, and Level 3 representing estimate values based on unobservable inputs. Related disclosures are segregated for assets and liabilities measured at fair value based on the level used within the hierarchy to determine their fair values.

The carrying amounts for cash and cash equivalents, accounts receivable, prepaid expenses, deposits, accounts payable, and accrued liabilities, and deferred revenue approximate fair market value because of the short maturity of these instruments.

Investments
Investments in money market funds and fixed income funds with readily determinable market values are reported in the statement of financial position at fair value using level 1 valuation methodology. Investments using Level 2 inputs consisted of certificates of deposit and government and agency bonds. The fair values are priced using an outside data and pricing 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. Interest, dividends, and realized gains or losses are recorded when earned or sustained. Fluctuations in the market value of the portfolio are recorded as unrealized gains or losses in the accompanying statements of activities. Donated securities are recorded at quoted market values as of the close of business on the date the security is received and are sold upon receipt or immediately thereafter to establish fair market value.

Property and Equipment
Property and equipment (including major renewals, replacements and betterments), with a cost of $500 or more, are capitalized and stated at cost. Donated property is recorded at fair value at the date of donation. Expenditures for ordinary maintenance and repair items are charged to operations as incurred. Upon the sale or other disposition of property, the cost and related accumulated depreciation are eliminated from the accounts and any resulting gain or loss is reflected in the changes in net assets. Depreciation and amortization are provided for principally under the straight-line method. Asset useful lives range from three to fifteen years. Leasehold improvement are amortized under the straight-line method over the term of the lease.

Functional Allocation of Expenses
The costs of providing the various programs and supporting activities have been summarized on a functional basis on the statement of functional expenses. Accordingly, certain costs have been allocated among the programs, fundraising, and management and general activities based on level of effort.

Advertising Costs
Advertising costs are expensed as incurred. Total advertising costs were $105,888 for the year ended June 30, 2018.
NOTE 1 - Summary of Significant Accounting Policies, Continued

**Tax Exempt Status**
The Association has been granted exemption from income taxes under Section 501(c)(3) of the Internal Revenue Code and is classified as an other than a private foundation as described in Section 509(a)(2) of the Internal Revenue Code. However, income from certain activities not directly related to the Association’s tax-exempt purpose, primarily advertising, may be subject to taxation as unrelated business income.

Management has evaluated the Association’s tax positions and concluded that the Association had taken no uncertain tax positions that require adjustment to the financial statements. With few exceptions, the Association is no longer subject to income tax examinations by the U.S. federal, state, or local tax authorities for years prior to 2015.

**Net Assets**
To ensure the observance of limitations and restrictions placed on the use of resources available to the Association, resources for various purposes are classified for accounting purposes into classes established according to their nature and purpose as follows:

*Unrestricted net assets* are the net assets that are neither permanently restricted nor temporarily restricted by donor-imposed stipulations and includes Board designated funds, i.e. funds that have been segregated by the Board to be spent only on specific purposes.

*Temporarily restricted net assets* result from contributions whose use is limited by donor-imposed stipulations that either expire by passage of time or can be fulfilled and removed by actions of the Association pursuant to these stipulations. Net assets may be restricted for various purposes, such as use in future periods or use for specified purposes. The Association has no permanently restricted net assets.

NOTE 2 – Concentration of Credit Risk

The Association maintains a bank account with a credit-worthy, high quality financial institution. The Federal Insurance Corporation (FDIC) has limitations on the amount it will insure and the Association’s account balance may periodically exceed that amount. The Association has not experienced any losses in this account and believes it is not exposed to any significant credit risk related to cash.

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 statement of financial position.

NOTE 3 – Accounts Receivable

Accounts receivable, net of allowance for doubtful collections, is comprised of the following at June 30, 2018:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rent paid</td>
<td>$152,936</td>
</tr>
<tr>
<td>Straight line adjustment</td>
<td>$(16,754)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$136,182</strong></td>
</tr>
</tbody>
</table>
NOTE 4 - Investments

The following table sets forth the Association’s investment assets at fair value at June 30, 2018:

<table>
<thead>
<tr>
<th></th>
<th>Fair Value</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Money market</td>
<td>$497,101</td>
<td>$497,101</td>
</tr>
<tr>
<td>Fixed income funds</td>
<td>95,379</td>
<td>96,077</td>
</tr>
<tr>
<td>Accrued interest</td>
<td>14,548</td>
<td>14,548</td>
</tr>
<tr>
<td>Government agency securities</td>
<td>621,117</td>
<td>642,467</td>
</tr>
<tr>
<td>Certificate of deposit</td>
<td>3,532,079</td>
<td>3,582,922</td>
</tr>
</tbody>
</table>

$4,760,224 $4,833,115

Fair value measurements, by level, are as follows as of the year ended June 30, 2018:

<table>
<thead>
<tr>
<th></th>
<th>Level 1</th>
<th>Level 2</th>
<th>Level 3</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Money market</td>
<td>$497,101</td>
<td>-</td>
<td>-</td>
<td>$497,101</td>
</tr>
<tr>
<td>Fixed income funds</td>
<td>95,379</td>
<td>-</td>
<td>-</td>
<td>95,379</td>
</tr>
<tr>
<td>Accrued interest</td>
<td>14,548</td>
<td>-</td>
<td>-</td>
<td>14,548</td>
</tr>
<tr>
<td>Government and agency bonds</td>
<td>-</td>
<td>621,117</td>
<td>-</td>
<td>621,117</td>
</tr>
<tr>
<td>Certificate of deposit</td>
<td>-</td>
<td>3,532,079</td>
<td>-</td>
<td>3,532,079</td>
</tr>
</tbody>
</table>

$607,028 $4,153,196 $ - $4,760,224

The following schedule summarizes the investment return and related classification in the statement of activities for the year ended June 30, 2018.

Interest and dividends ........................................... $55,083
Net unrealized gains (losses) .................................... (51,446)
Investment expenses .............................................. (300)

$3,337

NOTE 5 - Property and Equipment

Property and equipment, at cost, and the related accumulated depreciation and amortization as of June 30 are summarized as follows:

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Office furniture and equipment</td>
<td>$159,829</td>
</tr>
<tr>
<td>Leasehold improvements</td>
<td>265,293</td>
</tr>
<tr>
<td>Software</td>
<td>122,745</td>
</tr>
<tr>
<td></td>
<td>547,867</td>
</tr>
</tbody>
</table>

Less: accumulated depreciation and amortization ...... (347,055)

$200,812

Depreciation and amortization expense totaled $24,377 for the year ended June 30, 2018.
NOTE 6 – Deferred Revenue

Deferred revenue consisted of the following at June 30, 2018:

- Registration ............................................. $  979,365
- Exhibitor registration ..................................  743,700
- Membership dues .......................................  396,950
- Sponsorship .............................................  129,515
- Advertising .............................................   6,763

$ 2,256,293

NOTE 7 – Chapters

The Association has chapters that represent an established association presence in each 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 five percent of the membership dues received from members within each chapter, which is shown as “unallocated payments to chapters” on the accompanying statement of activities. At June 30, 2018, the amount due to chapters totaled $71,498.

NOTE 8 – 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 statement of financial position. The portion of the board-designated endowment included in unrestricted net assets consists 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 five percent annually. Actual returns in any given
year may vary from this amount.

NOTE 8 – 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 year 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 fund 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.

The entire endowment fund is held in investments. The net asset composition of the board-designated endowment fund is as follows at June 30, 2018:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unrestricted net assets</td>
<td>$19,589</td>
</tr>
<tr>
<td>Temporarily restricted net assets</td>
<td>$132,523</td>
</tr>
<tr>
<td></td>
<td>$152,112</td>
</tr>
</tbody>
</table>

Endowment Fund Activity
Changes in the board-designated endowment fund were as follows for the year ended June 30, 2018:

<table>
<thead>
<tr>
<th>Description</th>
<th>Unrestricted</th>
<th>Temporarily</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Board</td>
<td>Restricted</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Designated</td>
<td>Scholarships</td>
<td></td>
</tr>
<tr>
<td>Balance, June 30, 2017</td>
<td>$18,801</td>
<td>$139,910</td>
<td>$158,711</td>
</tr>
<tr>
<td>Interest and dividends</td>
<td>$1,579</td>
<td>$-</td>
<td>$1,579</td>
</tr>
<tr>
<td>Net unrealized gain (loss)</td>
<td>$(491)</td>
<td>$-</td>
<td>$(491)</td>
</tr>
<tr>
<td>Investment fees</td>
<td>$(300)</td>
<td>$-</td>
<td>$(300)</td>
</tr>
<tr>
<td>Net investment return</td>
<td>$788</td>
<td>$-</td>
<td>$788</td>
</tr>
<tr>
<td>Contributions</td>
<td>$-</td>
<td>$3,909</td>
<td>$3,909</td>
</tr>
<tr>
<td>Release of restrictions</td>
<td>$-</td>
<td>$(11,296)</td>
<td>$(11,296)</td>
</tr>
<tr>
<td>Balance, June 30, 2018</td>
<td>$19,589</td>
<td>$132,523</td>
<td>$152,112</td>
</tr>
</tbody>
</table>
NOTE 9 – 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 Internal Revenue Code. The Association may make discretionary matching contributions each plan year (calendar year) up to 3% of the participation’s annual compensation. All participants who are employed on December 31 during the plan year received an allocation of the Association’ contributions made for the plan year. Pension expense for the year ended June 30, 2018 totaled $14,605.

NOTE 10 – Commitments

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, 2025. The Association purchased a certificate of deposit in the original amount of $12,517 as collateral to a letter of credit that was provided as the security deposit for the office lease. The balance of this certificate of deposit as of June 30, 2018 was $13,272, where $12,517 of this amount is restricted in use.

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

Rent expense for the year ended June 30 is summarized as follows:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rent paid</td>
<td>$152,936</td>
</tr>
<tr>
<td>Straight line adjustment</td>
<td>(16,754)</td>
</tr>
<tr>
<td></td>
<td>$136,182</td>
</tr>
</tbody>
</table>

Office Equipment

The Association leases a copier and a postage machine under operating leases that expire in September 2019 and November 2022, respectively. Monthly and quarterly payments on these leases are $1,084 and $953, respectively.

The following is a schedule of future minimum rental payments under the above leases as of December 31:

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>$166,500</td>
</tr>
<tr>
<td>2020</td>
<td>$161,226</td>
</tr>
<tr>
<td>2021</td>
<td>$162,592</td>
</tr>
<tr>
<td>2022</td>
<td>$167,371</td>
</tr>
<tr>
<td>2023</td>
<td>$169,905</td>
</tr>
<tr>
<td>Thereafter</td>
<td>367,388</td>
</tr>
<tr>
<td></td>
<td>$1,194,982</td>
</tr>
</tbody>
</table>

Conferences

The Association has entered into numerous contractual commitments with various hotels for room rentals and the purchase of food and beverages for future annual conferences. The Association may incur significant cancelation fees if a contract is canceled. Management believes that the probability of canceling a contract is remote.
NOTE 11 – Subsequent Events

In preparing the accompanying financial statements, the Association has evaluated events and transactions for potential recognition or disclosure through October 12, 2018, the date the financial statements were available for issuance.