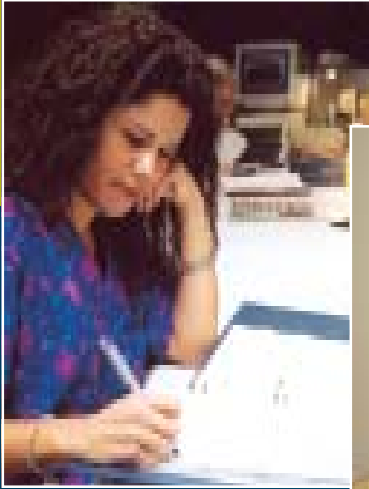


NYSNA

DOING MORE



Annual Report
2002-2003

NEW YORK STATE NURSES ASSOCIATION

WHO WE ARE

NYSNA is the professional association for Registered Nurses in New York, with more than 34,000 members statewide.

We are the nation's leading union of RNs, with units in both the public and private sectors at more than 150 facilities.

We promote high standards of nursing education, foster excellence in nursing practice, encourage the use of research in practice, and advance the profession through legislative activity.

OUR GOALS

- A humane and efficient health care system that serves all the people;
- A central role for nurses in shaping and delivering health care;
- Fair salaries, benefits, and professional working conditions for nurses;

- Increased public awareness of the value of nursing care;
- High standards of nursing practice and education; and
- A profession that reflects the rich cultural diversity of New York state.

OUR MISSION

To support the practice of the registered professional nurse and improve the public's health.

DEDICATION

In October 2003, NYSNA Executive Director Martha L. Orr retired after 19 years at the head of the leading professional association and union for RNs in the country.

Martha led NYSNA bravely and creatively through many stages of development, crises, and challenges, and seized and created uncounted opportunities to augment NYSNA's size and influence. Her impact on the organization, as well as on members, staff, and other RN activists in



New York and across the U.S., has been profound.

With tremendous respect, admiration, and affection, we dedicate this Annual Report to Martha L. Orr, MN, RN, CAE.



NYSNA DOING MORE

The health care system is under siege, as both the private sector and the government increasingly emphasize the bottom line rather than quality care.

This year, New York's RNs faced a variety of threats, such as:

- Health care management demanding givebacks and closing units and entire facilities
- Dramatic cuts in city and state budgets
- Aggressive attempts to undermine safe, effective nursing practice

The response of NYSNA's members and staff was to do more — for NYSNA RNs, for the profession, and for the health and well being of our patients.

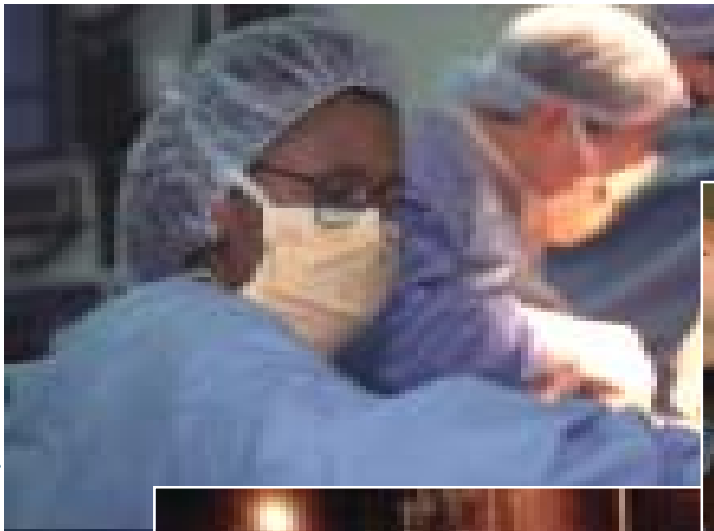


Photo by Ansell Horn



Photo by Sam Hollenshead/LRA Consulting

NYSNA

DOING MORE

fighting for better working conditions

No givebacks!

From the Catskills to Brooklyn, and north to Delaware and Chemung counties, health insurance was a key issue. At Catskill Regional Medical Center, it took a strike notice to convince management to back down from its demand to reduce the level of health insurance coverage. In the end, the RNs won equal or better benefits, and at several facilities, RNs won trendsetting health coverage for retirees.



Photo by Mark Genovese

Salaries and experience pay going up

NYSNA RNs won record pay increases, as enlightened facilities recognized the value of recruiting and retaining professional nurses. At Vassar Brothers Hospital in Poughkeepsie, a commitment to RNs resulted in a 20% pay increase over the next three years. Other facilities agreed to increases of 18% and more. At St. John's Riverside in Yonkers, NYSNA won increases in base and experience pay in the middle of an existing contract.

"Our patients need more health care, not less!"

This year saw a dramatic increase in hospital closings, consolidations, and layoffs, as facilities suffered from various combinations of bad management, a poor economy, and declining reimbursements. At Brooklyn Caledonian, Island Med, Montefiore, Mt. Sinai, Westchester County Medical Center, and Saint Vincents Medical Center of Staten Island/Bayley Seton, hospitals closed units and laid off staff. NYSNA fought efforts to circumvent collective bargaining agreements, demanding the disclosure, back pay, and respect RNs deserve – and had won in negotiations.

"Don't mourn, organize!"

— labor organizer Mary Harris
"Mother" Jones (1830-1930)

More than 700 additional RNs chose NYSNA to represent them for collective bargaining and began negotiating their first contracts, assisted by NYSNA's recently expanded organizing and initial contracts teams. This includes our first units in New Jersey – Greenville Hospital in Jersey City in northern NJ and Shore Memorial in southern NJ – as well as St. Joseph's in Yonkers, Clove Lakes on Staten Island, and Brunswick Hospital Center on Long Island. These victories often came after many months of hard-fought organizing and negotiating campaigns. In all, more than 40 contracts were negotiated and ratified.

Strengthening nursing's local, state, and national voice

In response to members' requests, NYSNA dramatically expanded the Economic & General Welfare program — a direct result of the dues increase that went into effect July 1, 2002. Improvements include hiring organizing and negotiating staff, a new occupational safety and health representative, a labor educator, and a community affairs representative to increase our visibility in New York City.

NYSNA's Delegate Assembly created a task force to enhance its activities and structure. And our new partnership with the national and state AFL-CIO — made possible via our affiliation with the United American Nurses — helped strengthen our organizing, job action, and legislative activities.

Staffing is the issue

As NYSNA continues its aggressive fight for legislation setting safe staffing ratios at hospitals and nursing homes across the state, NYSNA RNs at Montefiore, Flushing Hospital, and Methodist Hospital, among others, won safe-staffing provisions in their contracts this year. And to add data-power to this struggle, and others, we developed a shorter and clearer Protest of Assignment form. The goal: creating a solid database for the facility, the region, and the state that RNs can use in negotiating, lobbying, and policymaking.



NYSNA RNs at Sound Shore Medical Center picket for safe staffing.



Photos by Camille Edwards

Who is NYSNA?

For more information about NYSNA's Economic & General Welfare Program, call: 212-785-0157, ext. 258 or 800-724-NYRN.

NYSNA DOING MORE

working for safe staffing and quality patient care

“Safe RN Ratios: Your Lifesaver”

To educate legislators, media, and the general public about the need for safe RN-to-patient staffing ratios in healthcare facilities, NYSNA created this slogan and conducted an extensive education and lobbying campaign. We held a press conference during our Annual Legislative Workshop in March, distributed thousands of post-cards for members to send to their legislators and the governor,



and met with legislators regularly to emphasize the critical importance of staffing ratios.

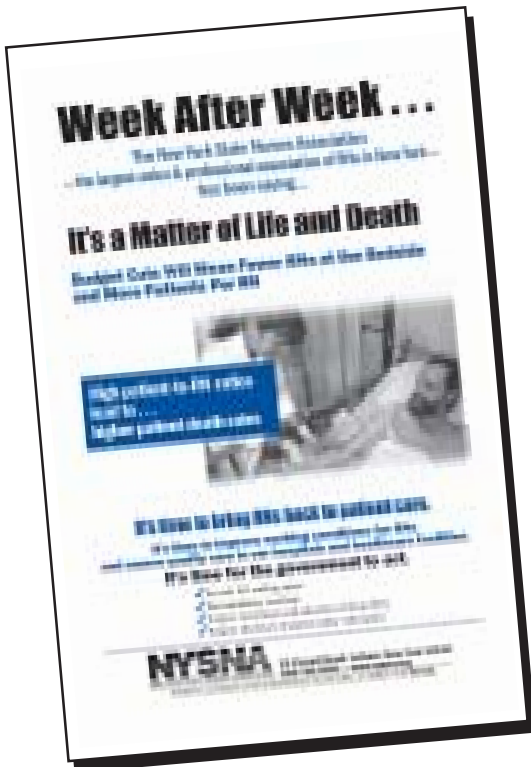
“Mandatory overtime is indentured servitude”

In addition to winning clarification from the State Education Department that refusing mandatory overtime does not in itself constitute “patient abandonment,” NYSNA worked hard to inform state lawmakers about the tremendous risks and burdens of mandatory overtime. At the federal level, NYSNA members’ lobbying efforts were effective in convincing Congressmembers to protest the Dept. of Labor’s proposal to end overtime pay. Our union contracts also make this issue a priority, and this year we won provisions in contracts at

Southside Hospital on Long Island and Sound Shore Medical Center in Westchester, among others, that provide limits on or financial disincentives for using mandatory overtime.

Establishing and enforcing safe staffing

NYSNA’s proposed legislation establishing minimum, upwardly adjustable safe staffing ratios in healthcare facilities is based on our members’ years of clinical experience in different units and settings, our numerous union contracts that set staffing guidelines and create staffing committees, and our work with national researchers studying staffing and patient outcomes. Our legislation was voted out of the Assembly Health Committee but remained in the Assembly Ways and Means and Senate Labor committees at the close of the legislative session. Our bill requiring hospitals and nursing homes to publicly disclose information related to the quality of nursing care, such as RN-to-patient ratios and the staff skill mix, passed the Assembly and remains under consideration by the Senate.



Supporting the staff nurse, fighting for safe staffing

NYSNA believes current state regulations are inadequate for safe staffing – that is why we have drafted and are lobbying for staffing legislation. But the staff nurse often needs help *now*, as she or he struggles to protect patients and standards of practice. So we produced a comprehensive, easy-to-use booklet, “Staffing in Healthcare Settings,” as a guide to existing regulations and standards related to RN staffing in both acute care and non-acute care settings.

While these do not represent NYSNA’s preferred staffing levels, it is important for our members to know the current staffing mandates.

Nurse power makes the difference

The best “lobbyists” are legislators’ own constituents, and that’s why NYSNA created the Legislative District Coordinator Network so legislators can hear from nurses themselves about the challenges facing nurses today and what government can do to improve patient care.

The LDC Network marked its tenth anniversary this year, having grown from a powerful vision to the powerful reality of more than 130 local members who are recognized as expert advisors on health issues in their communities.

Who is NYSNA?



State Senator Nancy Lorraine Hoffman, a Republican from Central New York, talks with Syracuse area RNs at NYSNA’s Legislative Workshop in March.



Photos by Ricard Photography

For more information about NYSNA’s Practice & Governmental Affairs program, call: 518-782-9400, ext. 282 or 800-724-NYRN.

NYSNA

DOING MORE

helping RNs acquire, maintain, and enhance their expertise

Nursing and learning are synonymous

An accredited provider of Continuing Education courses, NYSNA is continually adding to and updating the courses provided in-person and on our Web site, www.nysna.org, to keep up with members' demands for the latest information. We now offer more than 65 on-line courses, including many that are new this year, such as "Severe Acute Respiratory Syndrome; A Worldwide Emerging Disease" and "Smallpox as a Biological Agent of Terror," as well as an annual "Seminar at Sea" and a summer retreat for nursing faculty.

Several free on-line courses were completed by more than 4,000 nurses. For other information related to nursing and health care, our library provides unparalleled expertise and assistance.

Young nurses are our future

NYSNA held Student Leadership Days in the spring and fall to help facilitate the transition from education to practice. The

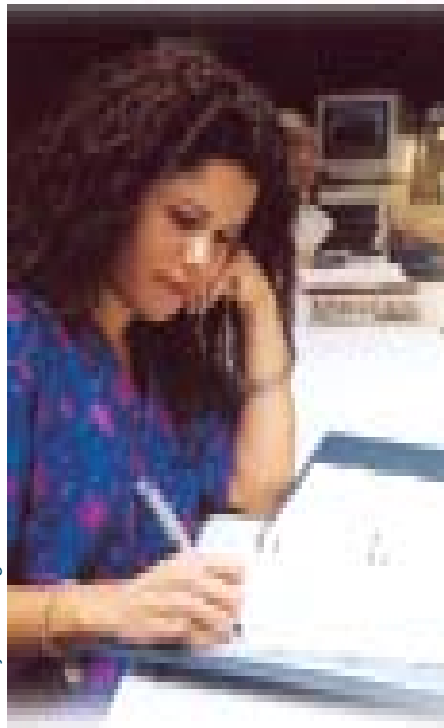


Photo by Paulette Rogal

successful Leadership Fellows program continued with six annual fellowships. Since 1991, this program has produced leaders who hold local, regional, state, and national positions in their nursing organizations. Among NYSNA's many activities devoted to promoting the profession is our participation in an innovative pilot project, the Empire Promise Nurse

Opportunity Corps, in collaboration with the New York State Board for Nursing, the state's Liberty Partnership Program, the Foundation of NYSNA, and the nursing programs at Mount St. Mary College, the Sage Colleges, Binghamton University, and Utica College. The project's goal is encouraging academically talented but otherwise at-risk students to become RNs.

Helping nurses help themselves

Launched in 1994 and funded by NYSNA until 2001, our Statewide Peer Assistance for Nurses (SPAN) program offers services to nurses whose practice and lives may be threatened by addictive disease. Since 2001 SPAN has been funded by a \$5 per year surcharge on nurses' license registrations through the New York State Education Department's Office of the Professions.

As a result of increased outreach, participation increased by more than 40% this year, and hundreds of one-on-one and

support group meetings were held, with SPAN staff as well as volunteer “advocates.” SPAN efforts are designed to assist nurses in their recovery from addiction and return them to optimal health and, when appropriate, to safe, effective nursing practice.

Ask the experts for help with issues in nursing practice

They receive more than 250 calls and e-mails each month from New York’s RNs. They’re NYSNA’s nurse experts, who assist RNs with a wide range of practice questions and problem. Can an LPN triage patients in a doctor’s office? If I refuse mandatory overtime, can I lose my license for patient abandon-

ment? NYSNA’s staff is on duty every day, ready to research and answer the most difficult questions, preserve confidentiality, distribute “Nursing Practice Alerts,” and work with state regulators on modifications to rules.

NYSNA also assembles panels of RNs to help government officials determine the amount of nursing care needed by different patients — the Nursing Intensity Weight — which is then translated into reimbursement dollars for this essential care.

Who is NYSNA?



Want to learn more about CE courses, NYSNA’s annual Convention, our SPAN Program, Nursing Practice Alerts, and almost everything else happening at NYSNA, or in nursing? Check out www.nysna.org.

NYSNA **DOING MORE** speaking out for RNs and their patients

Smallpox - weighing the risks

On December 13, 2002, the Bush administration announced that healthcare workers would be among the first to participate in a voluntary smallpox vaccination program. NYSNA staff and members, while recognizing the need to prepare, were deeply concerned about the unanswered questions: possible severe side effects, impact on patients and family members, and issues of liability and compensation. We lobbied for plan modifications, and sent a strongly-worded letter to every facility where we represent RNs for collective bargaining, warning of the risks. "Before facilities implement their vaccination programs," NYSNA said, "we must be assured that RNs will be protected in every way possible."



Working with the state to improve care

Whether the issue is patient abandonment, the level of nursing supervision required in residential facilities, or how to remedy the nursing shortage, state agencies look to NYSNA for advice and assistance. We meet regularly with policymakers and provide input on decisions at every level. And members are represented at the State Board for Nursing, the State Hospital Review and Planning Council, the Board of Regents, the Senate Medicaid Reform Task Force, and the Public Health Council, among many other agencies and departments.

Quality health care is a right

In 2001, 41 million Americans were without health insurance, nearly three million of them in New York state. Recent studies suggest that this number is even higher – perhaps as high as 75 million – and getting higher every day. Together with a wide range of consumer, labor, and business groups, NYSNA played a major role in activities during Cover the Uninsured Week. On the state level, NYSNA has long advocated legislation to improve access to health care, including a bill proposing a comprehensive health insurance system for all New Yorkers.



Helping New York prepare for emergencies

On September 11, 2001, all of us were tragically alerted to the urgent need to be prepared for public emergencies. Knowing that there are thousands of RNs ready, willing, and able to volunteer, but that information about the RNs and their availability was either not available or dispersed among many different and conflicting sources, NYSNA applied for and received from the state Department of Health a grant to prepare a comprehensive RN emergency database and accompanying on-line courses.

The database and the courses, on smallpox and chemical threats, are now a reality, and we are developing plans to promote the availability of this essential information.



Save our healthcare system

Amid desperate talk of dramatic government budget cuts and facility cutbacks and closings, NYSNA presented testimony on the state's Executive Budget to the Joint Assembly Ways and Means and Senate Finance committees, protesting healthcare cuts (including cuts to public health agencies), advocating safe staffing ratios, and promoting funding for nursing education.

We also worked with more than 200 labor unions, professional associations, and human services advocacy groups on a successful campaign to promote income tax increases for the wealthiest New Yorkers in order to avert a state budget crisis.



Photo by John Hamelin

Who is NYSNA?

NYSNA members contribute their expertise to benefit New York's RNs — in the 19 NYSNA Districts, in our collective bargaining units, on the functional and clinical practice units, as Board members, and Editorial Board members, members of the Delegate Assembly, Legislative District Coordinators, delegates to the UAN, Voting Body members, members of the ANA House of Delegates, on councils and committees, and many more. Get involved... contact NYSNA at www.nysna.org or call 518-782-9400, ext. 200.

NYSNA **DOING MORE** celebrating RNs struggles and achievements

Nurse registration law is 100 years old

In 1903, New York's nurses reached a milestone in their journey towards being recognized as professionals. They achieved the first-ever registration law that defined the standards of practice for Registered Nurses. The legislation followed by two years the formation of the New York State Nurses Association. To protect patients, maintain the highest standards of education and practice, and place the regulation of the profession in nurses' hands, registration was an early NYSNA priority. These goals are still



Photo courtesy of Baker-Cedarsburg Museum and Archives

critically important, as NYSNA continues to work with and for our members to achieve the highest quality patient care and the best working conditions, salaries, and benefits for RNs.

Presenting "Nurse!" for Nurses Week

For the first time ever, NYSNA presented a cultural event in celebration of Nurses Week. The one-woman play "Nurse!," written and

performed by actress Lisa Hayes, was presented in Buffalo, Latham, Madison, NJ, and for a two-week run in New York City. The play's 11 characters – all portrayed by Hayes — depict nurses' struggles, such as the 104-day strike at St. Catherine of Siena Medical Center in Smithtown, Long Island in 2001-2002 and the even longer strike at Nyack Hospital in 1999-2000. "Nurse!" moved and inspired audiences at every venue: "I enjoyed it so much," said one NYSNA member. "It described my own experiences in nursing these past 40 years."





NYSNA TREASURER'S REPORT

To the Board of Directors, New York State Nurses Association

In our opinion, the accompanying statements of financial position and the related statement of activities and statements of cash flows present fairly, in all material respects, the financial position of New York State Nurses Association at March 31, 2003 and 2002, and the changes in its net assets for the year ended March 31, 2003 and its cash flows for the years ended March 31, 2003 and 2002 in conformity with accounting principles generally accepted in the United States of America. These financial statements are the responsibility of the Association's management; our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audits of these statements in accordance with auditing standards generally accepted in the United States of America, which require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe our audits provide a reasonable basis for our opinion.

PriceWaterhouseCoopers, LLP
June 6, 2003

New York State Nurses Association Statements of Financial Position March 31, 2003 and 2002

	2003	2002
Assets		
Current assets		
Cash and cash equivalents	\$ 549,969	\$ 964,247
Accounts receivable	3,930,370	2,358,221
Prepaid expenses	243,900	374,290
Current portion receivable from the Foundation of the New York State Nurses Association	7,164	7,164
Other receivables	6,700	52,772
Total current assets	4,738,103	3,756,694
Investments, at fair value	6,049,369	9,633,347
Property and equipment, net	7,153,013	6,963,590
Long-term receivable from the Foundation of the New York State Nurses Association	60,988	68,152
Other assets	680,745	49,776
Total assets	<u>\$ 18,682,218</u>	<u>\$ 20,471,559</u>
Liabilities and net assets		
Current liabilities		
Accounts payable	\$ 781,205	\$ 949,129
Current portion of long-term debt	231,349	212,825
Notes payable	318,841	750,000
Dues and collections payable	751,247	1,025,181
Accrued payroll and payroll taxes	256,301	183,952
Accrued compensated absences	788,917	733,005
Unearned income	312,679	414,617
Current portion of accrued pension costs	212,596	-
Total current liabilities	3,653,135	4,268,709
Long-term liabilities		
Long-term debt, net of current portion	2,012,427	2,243,776
Accrued pension cost, net of current portion	3,639,265	985,321
Total liabilities	<u>9,304,827</u>	<u>7,497,806</u>
Net assets		
Unrestricted	9,026,555	12,591,849
Temporarily restricted	350,836	381,904
Total net assets	<u>9,377,391</u>	<u>12,973,753</u>
Total liabilities and net assets	<u>\$ 18,682,218</u>	<u>\$ 20,471,559</u>

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

**New York State Nurses Association
Statement of Activities
For the Year Ended March 31, 2003 (with Comparative Totals for March 31, 2002)**

	Unrestricted	Temporarily Restricted	Total 2003	Total 2002
Revenues, gains and other support				
Dues and service charges	\$ 21,254,292	\$ 300,474	\$ 21,554,766	\$ 17,373,623
Agency shop and nonmember service fee	783,455		783,455	537,178
Administrative fee - welfare plans	189,914		189,914	190,000
Meetings and workshops	406,127		406,127	337,343
Convention income	153,381		153,381	366,635
Investment (loss) income, including unrealized (losses) gains	(953,562)	389	(953,173)	744,031
Other income	609,461	10,327	619,788	643,783
Net assets released from restrictions	342,258	(342,258)		
Total revenues, gains and other support	22,785,326	(31,068)	22,754,258	20,192,593
Expenses				
Administrative	4,362,572		4,362,572	4,328,080
Program	15,549,229		15,549,229	14,072,049
Constituent	3,565,482		3,565,482	3,135,379
Convention	259,593		259,593	675,469
Total expenses	23,736,876		23,736,876	22,210,977
Change in net assets before additional minimum pension liability	(951,550)	(31,068)	(982,618)	(2,018,384)
Additional minimum pension liability	(2,613,744)		(2,613,744)	(152,013)
Change in net assets	(3,565,294)	(31,068)	(3,596,362)	(2,170,397)
Net assets at beginning of year	12,591,849	381,904	12,973,753	15,144,150
Net assets at end of year	\$ 9,026,555	\$ 350,836	\$ 9,377,391	\$ 12,973,753

**New York State Nurses Association
Statements of Cash Flows
Years Ended March 31, 2003 and 2002**

	2003	2002
Cash flows from operating activities		
Change in net assets	\$ (3,596,362)	\$ (2,170,397)
Adjustments to reconcile change in net assets to cash used in operating activities		
Depreciation	593,519	522,715
Unrealized loss on investments	1,383,190	88,321
Realized gain on investments	(285,125)	(584,539)
Changes in operating assets and liabilities		
Accounts receivable	(1,572,149)	(479,645)
Prepaid expenses	130,390	(137,096)
Other receivables	46,072	(2,042)
Other assets	(630,969)	1
Accounts payable	(167,924)	334,103
Dues and collections payable	(273,934)	329,371
Accrued payroll and payroll taxes	72,349	(36,763)
Accrued compensated balances	55,912	92,966
Unearned income	(101,938)	4,423
Accrued pension costs	2,866,540	363,823
Net cash used in operating activities	(1,480,429)	(1,674,759)
Cash flows from investing activities		
Purchases of property and equipment	(782,941)	(182,944)
Payments on amounts due from the Foundation of the New York State Nurses Association, Inc.	7,164	7,164
Proceeds from sale of investments	14,893,348	21,003,354
Purchases of investments	(12,407,436)	(19,413,302)
Net cash provided by investing activities	1,710,135	1,414,272
Cash flows from financing activities		
Principal payments on long-term debt	(212,825)	(195,784)
Proceeds from note payable	(431,159)	750,000
Net cash (used in) provided by financing activities	(643,984)	554,216
Net (decrease) increase in cash and cash equivalents	(414,278)	293,729
Cash and cash equivalents, beginning of year	964,247	670,518
Cash and cash equivalents, end of year	\$ 549,969	\$ 964,247
Cash payments during the year for interest	\$ 227,789	\$ 266,352

NOTES TO FINANCIAL STATEMENTS

1. Organization

The New York State Nurses Association (NYSNA or the Association) is a membership organization for approximately 34,000 registered professional nurses throughout New York State. The general purpose of the Association is to promote the advancement of the profession of nursing.

2. Summary of Significant Accounting Policies
Accounting basis

The financial statements are prepared on the accrual basis of accounting in accordance with the principles established by the Audit and Accounting Guide: "Not-for-Profit Organizations" issued by the American Institute of Certified Public Accountants.

The statement of activities includes certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Association's financial statements for the year ended March 31, 2002, from which the summarized information was derived.

Use of Estimates

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

Cash and Cash Equivalents

For purposes of the statements of cash flows, the Association considers cash and cash equivalents to be cash on hand, cash in bank, money market-type funds and U.S. Treasury Bills with original maturities of three months or less. The Association's cash is deposited at one bank which represents a concentration of credit risk. The Association's cash management procedures entail a daily "sweep" of its operating cash account to automatically invest cash in excess of required balances in government guaranteed securities. Bank balances in excess of FDIC insurance limits was approximately \$65,000 at March 31, 2003. The Association mitigates its risk by periodically reviewing the credit worthiness of the financial institutions.

Investments

Investments are measured at fair value in the statement of financial position. Investments, other than private equity partnerships, are valued at quoted fair market price. Private equity partnerships which do not have an established market are valued by the trustee based upon the Association's proportionate share of the net assets of the limited partnerships, which approximates fair value. The underlying investments of the limited partnerships consist of investments in common stocks, government bonds and bills, and corporate and municipal bonds.

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



NYSNA TREASURER'S REPORT, continued

NOTES TO FINANCIAL STATEMENTS *(continued)*

Property and Equipment

Property and equipment are recorded at cost. Maintenance, repairs and minor renewals are expensed as incurred. Depreciation of office furniture and equipment is computed using the straight-line method based on the assets' estimated useful lives (from 3-10 years). Depreciation of the building is computed using the straight-line method based on the asset's estimated useful life of 25 years.

Unearned Income

Unearned income primarily represents dues income received from members in advance of the period to which they relate.

Dues and Collections Payable

Members who belong to both the NYSNA and the Constituent District Nurses Associations (CDNA) may send combined NYSNA and CDNA dues to NYSNA. NYSNA then remits the CDNA dues portion of the amount collected to CDNA. NYSNA accounts for these receipts and payments as agency transactions and accordingly these transactions are not recorded in the statement of activities. CDNA does not pay a fee to NYSNA for this service.

The Association pays a percentage of all dues collected from NYSNA members as its assessment to the American Nurses Association. (See Note 9)

Temporarily Restricted Net Assets

Temporarily restricted net assets represent funds restricted for the operations of the Political Action Committee (PAC) and the Protected Action Fund (PAF). The PAC was formed to support state political candidates in the form of campaign contributions. The PAF was formed to provide support for bargaining units engaged in labor activities. As the restrictions on these assets expires, that is, the purpose of the restriction is accomplished, these assets are reclassified as unrestricted net assets and are reported on the statement of operations as net assets released from restrictions.

Income Taxes

The Association is a not-for-profit corporation under Section 501(c)(5) of the Internal Revenue Code and is exempt from federal income taxes pursuant to Section 501(a) of the Code.

Reclassification

Certain 2002 amounts have been reclassified to conform with the 2003 presentation.

3. Financial Instruments

Investments

Investments at March 31 consist of the following:

	2003	2002
Mutual Funds	\$3,883,196	\$5,685,448
United States Treasury Notes	410,426	920,699
United States Treasury Bonds	219,807	643,157
Federal National Mortgage Association	247,281	925,856
Federal Home Loan Mortgage Corp.		313,742
Corporate Bonds	513,594	651,848
Private equity partnerships	461,323	806,339
	<u>\$6,049,369</u>	<u>\$9,633,347</u>

Investment income for the years ended March 31 consisted of the following:

	2003	2002
Dividend and interest	\$144,892	\$247,813
Net realized gains	285,125	584,539
Net unrealized losses	<u>(1,383,190)</u>	<u>(88,321)</u>
Total investment income (loss)	<u>\$(953,173)</u>	<u>\$744,031</u>

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



NYSNA TREASURER'S REPORT, continued

4. Property and Equipment

Property and equipment is comprised of the following at March 31:

	2003	2002
Land	\$1,297,202	\$1,297,202
Building	6,874,100	6,874,100
Office furniture and equipment	2,675,282	1,892,340
Less accumulated depreciation	<u>(3,693,571)</u>	<u>(3,100,052)</u>
	<u>\$7,153,013</u>	<u>\$6,963,590</u>

Depreciation expense for the years ended March 31, 2003 and 2002 was \$593,519 and \$522,715, respectively.

5. Line of Credit

The Association has an unsecured line of credit agreement in the amount of \$750,000 with Key Bank. Balance outstanding at March 31, 2003 and 2002 was \$318,841 and \$750,000, respectively. Interest on the line of credit is a floating rate equal to the Key Bank of New York base rate. This line of credit is reviewed and extended by Key Bank each year based on their review of credit risk.

6. Long-Term Debt

During fiscal year 1995, the Association borrowed \$3,500,000 from an insurance company to build its new headquarters. The mortgage bears interest at 8.375% and is payable over 15 years in monthly installments of \$34,209 including interest. The mortgage is collateralized by building, land, furniture and fixtures owned by the Association. The following is a schedule of principal payments related to this debt for the next five years.

Fiscal Year	Amount
2004	\$231,349
2005	251,486
2006	273,376
2007	297,171
2008	323,037
Thereafter	<u>867,357</u>
	2,243,776
Less current portion	<u>231,349</u>
	<u>\$2,012,427</u>

Interest expense for the years ended March 31, 2003 and 2002 was \$196,178 and \$233,889, respectively.

7. Pension Plan

The Association has a noncontributory, defined benefit pension plan covering substantially all of its employees. The benefits are based on years of service and the employee's compensation. The Association's funding policy is to contribute annually an amount within ranges established by the Employee Retirement Income Security Act (ERISA) of 1974. Contributions are intended to provide not only for benefits attributed to service to date but also for those expected to be earned in the future. Costs have been determined using the Projected Unit Credit Actuarial Cost Method as required by Statements No. 87 and 132 of the Financial Accounting Standards Board.

The following table sets forth the plan's funded status and amounts recognized in the Association's statements of financial position and operations at March 31.

	2003	2002
Projected benefit obligation at year end	\$14,425,168	\$11,466,041
Fair value of plan assets at year end	<u>8,140,767</u>	<u>8,146,713</u>
Funded status	<u>\$(6,284,401)</u>	<u>\$(3,319,328)</u>
Accrued benefit cost recognized in the statement of financial position (including additional minimum liability)	<u>\$(3,851,861)</u>	<u>\$(985,321)</u>
Intangible asset	<u>\$567,901</u>	<u>\$454,845</u>
Pension expense	1,219,710	808,199
Contributions made by the Association	1,080,000	690,000
Benefits paid	234,731	198,413

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



NYSNA TREASURER'S REPORT, continued

Assumptions used in the accounting for net periodic pension expense for the years ended March 31 were:

	2003	2002
Discount rate	6.50%	7.25%
Rate of increase in compensation	3.50%	4.25%
Expected long-term rate of return on assets	8.50%	9.00%

Mortality

The 1983 Group Annuity Mortality Table for males and females as prescribed by RPA '94 was used to determine mortality.

Assumed Retirement Age

Participants not covered by the CWA Collective Bargaining Agreement are assumed to retire at age 62 with a minimum of 10 years of service. Participants covered by the CWA Collective Bargaining Agreement are assumed to retire at age 65 with a minimum of 3 years of participation.

8. Leases

The Association has entered into a variety of leases, primarily for the use of office space, automobiles and equipment, which are accounted for as operating leases. Future minimum payments under all noncancelable leases having initial terms in excess of one year at March 31, 2003 are as follows:

Fiscal Year	Amount
2004	\$952,291
2005	932,339
2006	808,946
2007	760,511
2008	736,119
Thereafter	<u>3,685,029</u>
	<u>\$7,875,235</u>

Total rent expense for the years ended March 31, 2003 and 2002 was approximately \$472,519 and \$504,699, respectively.

9. Related Parties

The Association administers the New York State Nurses Association Welfare Plan and the Westchester County New York State Nurses Association Welfare Plan (the "Plans"), providing management, facilities and personnel to conduct the operation of the Plans. The Association charges a fee for services provided. These administrative fees amounted to \$189,914 and \$190,000 for the years ended March 31, 2003 and 2002, respectively.

The Association pays an assessment to the American Nurses Association for membership privileges. Amounts remitted are based on a percentage of member dues collected by the Association. The assessments were \$3,565,482 and \$3,135,379 for the years ended March 31, 2003 and 2002, respectively, and are recorded under the caption "constituent expenses."

Prior to June 1995, the Association leased its Guilderland facility from the Foundation of the New York State Nurses Association, Inc. (the Foundation). The Association paid all expenses of the facility and charged back to the Foundation certain expenses based on square footage occupied. The non-interest bearing receivable due from the Foundation at March 31, 2003 is \$68,152 and is payable in monthly installments of \$597, through October 1, 2012.

Report of Independent Auditors on the Supplemental Data

The Board of Directors, New York State Nurses Association

Our report on the audits of the financial statements of the New York State Nurses Association as of March 31, 2003 and 2002 and for the years then ended appears on page 1. These audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental data included on pages 11 and 12 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, this information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

PricewaterhouseCoopers LLP
June 6, 2003

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

TREASURER'S REPORT, continued

**New York State Nurses Association
Details of Unrestricted Revenues
Years Ended March 31, 2003 and 2002**

	2003	2002
Dues and service charges	\$ 21,254,292	\$ 17,084,683
Agency shop and nonmember service fees	783,455	537,178
Administrative fees - welfare plans		
New York State Nurses Association	174,914	175,000
Westchester County New York State Nurses Association	15,000	15,000
Total administrative fees - welfare plans	189,914	190,000
Meetings and workshops	406,127	337,343
Investment income	(953,562)	734,849
Convention income	153,381	366,635
Other income		
Publications		
Advertising	25,926	19,075
Subscriptions	4,490	4,307
Sale of pamphlets and reprints	843	2,236
Continuing education fees	60,005	50,663
Credit card income	210,143	249,362
Miscellaneous	284,894	278,632
PAC and PAF income	23,160	21,845
Total other income	609,461	626,120
Net assets released from restrictions	342,258	213,209
Total revenue	\$ 22,785,326	\$ 20,090,017

**New York State Nurses Association
Details of Expenses
Years Ended March 31, 2003 and 2002**

	2003	2002
Administrative expenses		
General administration	\$ 2,641,583	\$ 2,848,659
Data processing	578,969	499,837
Special services	589,068	529,018
Corporate committees and matters	105,213	143,219
Elections	289,988	168,415
Depreciation	157,751	138,932
Total administrative expenses	4,362,572	4,328,080
Program expenses		
Communications and publications	900,316	898,891
Planning and research	563,260	492,320
Membership services	624,407	614,154
Nursing education	622,501	549,635
Practice and governmental affairs	1,193,078	1,177,170
Economic and general welfare	10,830,013	9,652,851
SPAN	5,000	23,805
Organization services	374,886	279,440
Depreciation	435,768	383,783
Total program expenses	15,549,229	14,072,049
Constituent expenses	3,565,482	3,135,379
Convention expense	259,593	675,469
Total expenses	\$ 23,736,876	\$ 22,210,977

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

OUR BOARD OF DIRECTORS

As of September 1, 2003

- Robert V. Piemonte
EdD, RN, CAE, FAAN
President
- Lolita B. Compas
MA, RN, CEN
President-Elect
- Sr. Theresa Graf, EdD, FNP, RN
Vice President
- Lorna Y. Stewart, MSN, RNC
Secretary
- Elizabeth A. Mahoney, EdD, RN
Treasurer

Directors at Large

- Ramon Abuedo, BSN, RN, C
- Josephine Bolus, MS, RN, CNP, APRN-BC
- Verlia Brown, MA, RN, C
- Edward Goldberg, MA, RN
- Ronald Inskip, BS, RN, C
- Theresa Marvelli, MA, RN, C
- José Mapalad Planillo, BSN, RN, CCRN
- Ann Tahaney, RN, CEN

OUR EXECUTIVE STAFF

- Martha L. Orr, MN, RN, CAE
Executive Director
- Tina Gerardi, MS, RN
Deputy Executive Director
- Robert Lesniewski, MBA, CMA, CEBS
Deputy Executive Director, Administration
- Karen A. Ballard, MA, RN
Director, Practice & Governmental Affairs Program

- Ellen B. Brickman, MS, RN, MPH, NP
Director, Statewide Peer Assistance for Nurses Program
- Barbara Garrett, PhD, RNC, NPP
Director, Nursing Education Program
- Cynthia Gurney, PhD, RN, MBA
Director, Planning and Research
- Lorraine Seidel, MA, RN
Director, Economic & General Welfare Program

HOW TO REACH US

NYSNA Headquarters

	Ext.
Continuing Education	278
Convention Information	303
Communications	275
Economic & General Welfare	284
Library	266
Membership Services	285
Nursing Education	281
Organizing	347

1-800-724-NYRN (6976)

	Ext.
Practice & Governmental Affairs	282
Research	207
Peer Assistance Program	
.....	800-45-SPAN-1
NYC Office	212-785-0157
Buffalo Office	716-832-6474
New Jersey Office	609-487-6050

Cover photo credits: All cover photos are credited on the pages of the Annual Report where they appear.



New York State Nurses Association

■ 11 Cornell Road
Latham, NY 12110
518-782-9400

■ 120 Wall Street, 23rd Floor
New York, NY 10005
212-785-0157

■ 4560 Bailey Avenue
Amherst, NY 14226
716-832-6474

■ 7117 Ventnor Avenue
Ventnor, NJ 08406
609-487-6050

Web site: www.nysna.org