

Audited Financial Statements  
National Press Photographers  
Association, Inc.  
May 31, 2003 and 2002

National Press Photographers Association, Inc.

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## Independent Auditor's Report

Board of Directors  
National Press Photographers Association, Inc.  
Durham, North Carolina

We have audited the accompanying statement of assets, liabilities and net assets-modified cash basis of National Press Photographers Association, Inc. as of May 31, 2003, and the related statement of revenue, expenses and other changes in net assets-modified cash basis for the year then ended. These financial statements are the responsibility of National Press Photographers Association, Inc.'s management. Our responsibility is to express an opinion on these financial statements based on our audit. The prior year summarized comparative information has been derived from the Organization's May 31, 2002 financial statements and, in our report dated January 7, 2003, we expressed an unqualified opinion on those financial statements.

We conducted our audit in accordance with U.S. generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described in Note 2 to the financial statements, these financial statements are prepared on the modified cash basis of accounting, which is a comprehensive basis of accounting other than U.S. generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, and net assets-modified cash basis of National Press Photographers Association, Inc. as of May 31, 2003, and the changes in its net assets, on a modified cash basis for the year then ended on the basis of accounting described in Note 2.

Durham, North Carolina  
August 13, 2003

National Press Photographers Association, Inc.  
Statement of Assets, Liabilities and  
Net Assets-Modified Cash Basis  
May 31, 2003 With Comparative Totals for 2002

Assets	2003	2002
Cash and cash equivalents	\$ 261,828	\$ 685,800
Other receivable	621	1,973
Property and equipment-net (Note 5)	150,739	129,529
Annuity investment (Note 6)	207,593	147,306
Total assets	\$ 620,781	\$ 964,608
Liabilities and Net Assets		
Liabilities		
Employee retirement payable	\$ 960	\$ -
Commitments (Note 8)		
Net Assets		
Unrestricted	616,688	961,490
Unrestricted, designated by Board for Legal Defense Fund (Note 10)	2,950	2,301
Total unrestricted	619,638	963,791
Temporarily restricted (Note 11)	183	817
Total net assets	619,821	964,608
Total liabilities and net assets	\$ 620,781	\$ 964,608

See accompanying notes to financial statements.

National Press Photographers Association, Inc.  
Statement of Revenue, Expenses and  
Other Changes in Net Assets-Modified Cash Basis  
For The Year Ended May 31, 2003 With Comparative Totals for 2002

	Unrestricted Net Assets	Temporarily Restricted Net Assets	Total Net Assets	
			2003	2002
<b>Revenue</b>				
Membership dues	\$ 543,681	\$ -	\$ 543,681	\$ 567,037
Magazine advertising	195,550	-	195,550	259,735
Magazine subscriptions	86,927	-	86,927	90,688
NPPF contributions (Notes 9 and 11)	-	183	183	1,027
Legal Defense Fund (Note 10)	649	-	649	1,127
Program revenue	371,356	-	371,356	331,543
Sales	27,398	-	27,398	21,010
General donations	-	-	-	5,000
Other income	31,249	-	31,249	16,184
Investment income (loss) (Note 4)	<u>1,775</u>	<u>-</u>	<u>1,775</u>	<u>(52,562)</u>
Total revenue	1,258,585	183	1,258,768	1,240,789
<b>Net assets released from restrictions (Note 12)</b>				
Satisfaction of program restrictions	<u>817</u>	<u>(817)</u>	<u>-</u>	<u>-</u>
Total revenue	<u>1,259,402</u>	<u>(634)</u>	<u>1,258,768</u>	<u>1,258,768</u>
<b>Expenses</b>				
Program services				
Member services	423,226	-	423,226	330,998
Educational programs	320,888	-	320,888	267,263
Publications	444,851	-	444,851	341,394
Supporting services				
Administrative and general	343,054	-	343,054	339,325
Membership maintenance and promotion	<u>71,536</u>	<u>-</u>	<u>71,536</u>	<u>51,915</u>
Total expenses	<u>1,603,555</u>	<u>-</u>	<u>1,603,555</u>	<u>1,330,895</u>
Change in net assets	(344,153)	(634)	(344,787)	(90,106)
Net assets at beginning of year	<u>963,791</u>	<u>817</u>	<u>964,608</u>	<u>1,054,714</u>
Net assets at end of year	<u>\$ 619,638</u>	<u>\$ 183</u>	<u>\$ 619,821</u>	<u>\$ 964,608</u>

See accompanying notes to financial statements.