

COMPUTER PROFESSIONALS FOR SOCIAL RESPONSIBILITY, INC.  
(A NON-PROFIT ORGANIZATION)

PALO ALTO, CALIFORNIA

COMPILED  
FINANCIAL STATEMENTS

JUNE 30, 2004

LAARNI VON RUDEN, CPA

PALO ALTO, CALIFORNIA

COMPUTER PROFESSIONALS FOR SOCIAL RESONSIBILITY, INC  
(A NON-PROFIT ORGANIZATION)

PALO ALTO, CALIFORNIA

TABLE OF CONTENTS

	<u>Page</u>
Accountant's Compilation Report	1
Statement of Financial Position	2
Statement of Activities	3
Statement of Cash Flows	4
Statement of Functional Expenses	5
Notes to Compiled Financial Statements	6-9

ACCOUNTANT'S COMPILATION REPORT

To: The Board of Directors  
Computer Professionals for Social Responsibility, Inc.  
Palo Alto, California

I have compiled the accompanying statement of financial position of Computer Professionals for Social Responsibility, Inc. as of June 30, 2004 and the related statements of activities, cash flows and functional expenses for the year then ended in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements information that is the representation of management. I have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance on them.

LAARNI VON RUDEN, CPA  
Palo Alto, California  
December 15, 2004

COMPUTER PROFESSIONALS FOR SOCIAL RESPONSIBILITY, INC.  
(A NON-PROFIT ORGANIZATION)  
PALO ALTO, CALIFORNIA

STATEMENT OF FINANCIAL POSITION  
JUNE 30, 2004

ASSETS

Current Assets:

Cash and cash equivalents	\$ 99,017	
Inventories	200	
Investment account (Note 3)	<u>450</u>	
Total Current Assets		\$ 99,667

Property and Equipment:

Furniture and fixtures	41,658	
Machinery and equipment	10,180	
Other assets	45,233	
Less: Accumulated depreciation	<u>(97,071)</u>	
Total Property and Equipment		<u>-0-</u>
TOTAL ASSETS		\$ <u>99,667</u>

LIABILITIES AND NET ASSETS

Liabilities:

Accounts payable	\$ <u>-0-</u>	
Total Liabilities		\$ <u>-0-</u>

Net Assets:

Unrestricted	99,667	
Temporarily restricted	-0-	
Permanently restricted	<u>-0-</u>	
Total Net Assets		<u>99,667</u>
TOTAL LIABILITIES AND NET ASSETS		\$ <u>99,667</u>

The accompanying accountant's compilation report and notes are an integral part of these financial statements.

COMPUTER PROFESSIONALS FOR SOCIAL RESPONSIBILITY, INC.  
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PALO ALTO, CALIFORNIA

STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2004

UNRESTRICTED NET ASSETS:

Support:

Member dues	\$ 60,004
Contributions	22,273
Event loss – net (Note 4)	(553)
Merchandise sales – net (Note 5)	833
Refunds	987
Investment income	<u>918</u>

Total Unrestricted Revenues 84,462

Net assets released from restrictions:

Restrictions satisfied by payments 21,535

Total Unrestricted Revenues  
and Reclassifications 105,997

Expenses:

Program services	(140,250)
Administration	<u>( 17,878)</u>

Total Expenses (156,958)

Increase (decrease) in unrestricted  
net assets (50,961)

TEMPORARILY RESTRICTED NET ASSETS:

Pass-through income – net (Note 6)	21,535
Grant	0-

Net assets released from restrictions:

Restrictions satisfied by payments (21,535)

Increase (Decrease) in Temporarily  
Restricted Net Assets 0-

PERMANENTLY RESTRICTED NET ASSETS:

Increase (Decrease) in Permanently  
Restricted Net Assets 0-

Increase (Decrease) in Net Assets (50,961)

NET ASSETS, BEGINNING OF YEAR 150,928

NET ASSETS, END OF YEAR \$ 99,667

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COMPUTER PROFESSIONALS FOR SOCIAL RESPONSIBILITY, INC.  
(NON-PROFIT ORGNALIZATION)

PALO ALTO, CALIFORNIA

STATEMENT OF CASH FLOWS

JUNE 30, 2004

CASH FLOWS FROM OPERATING ACTIVITIES:

Decrease in net assets \$ (51,261)  
Adjustments to reconcile change in net assets  
to net cash provided by operating activities:

Unrealized loss in investment account 34

NET CASH PROVIDED BY  
OPERATING ACTIVITIES (51,227)

CASH FLOWS FROM FINANCING ACTIVITIES: 0-

NET CASH PROVIDED BY  
FINANCING ACTIVITIES 0-

CASH FLOWS FROM INVESTING ACTIVITIES: 0-

NET CASH PROVIDED BY (USED BY)  
INVESTING ACTIVITIES 0-

NET DECREASE IN CASH AND CASH EQUIVALENTS (51,227)

CASH, BEGINNING OF YEAR 150,244

CASH, END OF YEAR \$ 99,017

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COMPUTER PROFESSIONALS FOR SOCIAL RESPONSIBILITY, INC.  
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PALO ALTO, CALIFORNIA

STATEMENT OF FUNCTIONAL EXPENSES  
JUNE 30, 2004

	<u>PROGRAM SERVICES</u>	<u>SUPPORT SERVICES</u>	<u>TOTAL</u>
<u>Salaries:</u>			
Salaries	\$ 42,400	\$ 7,483	\$ 49,883
Payroll taxes	3,627	640	4,267
Employee benefits	<u>3,413</u>	<u>602</u>	<u>4,015</u>
Sub Total	49,440	8,725	58,165
 <u>Operations:</u>			
Bank charges	894	158	1,052
Board expenses	10,845	1,914	12,759
Coalition building	1,810	319	2,129
Equipment rental	911	161	1,072
Essay contest	400		400
Fund-raising		654	654
Insurance	2,438	430	2,868
Memberships	3,445		3,445
Miscellaneous	272		272
Office and other admin	11,120	1,961	13,081
Postage	303	53	356
Printing and publications	498	88	586
Professional services	765	135	900
Program expenses	46,201		46,201
Rent/storage	8,772	1,548	10,320
Taxes and licenses		185	185
Telephone and internet	<u>2,136</u>	<u>1,547</u>	<u>2,513</u>
 Totals	 <u>\$140,250</u>	 <u>\$ 17,878</u>	 <u>\$156,958</u>

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COMPUTER PROFESSIONALS FOR SOCIAL RESPONSIBILITY, INC.  
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NOTES TO COMPILED FINANCIAL STATEMENTS

NOTE 1: NATURE OF ACTIVITIES

o Organization:

Computer Professionals for Social Responsibility, Inc. (CPSR) was incorporated on March 8, 1983 under the laws of the State of California. CPSR is a public-interest alliance of computer professionals and computer users concerned about the impact of computer technology on society. Revenues are derived from membership dues and professional development conferences.

CPSR's mission statement is:

*"CPSR empowers computer professionals and computer users to advocate for the responsible use of information technology and encourages all who use computer technology to participate in the public debate. As technical experts, CPSR members provide the public and policymakers with realistic assessments of the power, promise, and limitations of computer technology. As an organization of concerned citizens, CPSR directs public attention to critical choices concerning the applications of computing and how those choices affect society."*

o Non-Profit Status:

The Organization is exempt from taxation under the provisions of Section 501 (c) (3) of the Internal Revenue Code.

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NOTES TO COMPILED FINANCIAL STATEMENTS (CONTINUED)

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

o Functional Expenses

CPRS allocates expenses on a functional basis among various programs and administration. Expenses that can be identified with a specific program and administration are allocated directly according to their natural expenditure classifications.

o Property and equipment:

Assets are recorded at cost or, if donated, at fair market value. Depreciation is calculated on a straight line basis over their estimated useful lives:

Furniture and equipment	3-5 years
Other fixed assets	5 years

o Financial Statement Presentation:

□ Contributions

CPSR adopted Statement of Financial Accounting Standards No. 116, *"Accounting for Contributions Received and Contributions Made."* In accordance with SFAS No. 116, contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence or nature of any donor restrictions.

□ Assets

The Organization also adopted SFAS No. 17, *"Financial Statements of Not-for-Profit Organizations."* Under SFAS No. 117, CPSR is required to report information regarding its financial position and activities according to three classes of net assets. In addition, CPSR is required to present a statement of cash flows. As permitted by this Statement, CPSR has discontinued the use of fund accounting and has, accordingly, reclassified its financial statements to present three

classes of net assets:

7

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NOTES TO COMPILED FINANCIAL STATEMENTS (CONTINUED)

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

o Financial Statement Presentation (cont'd):

- Unrestricted Net Assets

Unrestricted funds represent resources over which the Board of Directors has discretionary control and are used to carry out the operations of CPSR in accordance with its Bylaws.

- Temporarily Restricted Net Assets

Temporarily restricted assets represent resources currently available for use, but expendable only for operating purposes specified by the donor. Resources of this fund generally originate from gifts, grants, bequests, and contracts.

- Permanently Restricted Assets

Assets in this category are permanently restricted as to their use and cannot be used for any other purpose.

o Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires the use of management's estimates.

NOTE 3: INVESTMENT ACCOUNT

This account is with Morgan Stanley Dean Witter. The original cost was \$ 521 and the current market value is \$ 450 for an unrealized loss of \$ 71.

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NOTES TO COMPILED FINANCIAL STATEMENTS (CONTINUED)

NOTE 4: EVENT INCOME

	<u>Annual Meeting</u>	<u>Chapter Events</u>	<u>Wiener 2004</u>	<u>PDC</u>	<u>TOTALS</u>
Gross income	\$ 9,138	\$ 648	\$ 949	\$ -	\$10,735
Less: expenses	<u>(9,007)</u>	<u>(157)</u>	<u>(2,124)</u>	<u>-</u>	<u>(11,288)</u>
Net Income					\$ <u>( 553)</u>

NOTE 5: MERCHANDISE SALES

This consists of:

Gross sales	\$ 2,329
Less: expenses	<u>(1,496)</u>
	<u>\$ 833</u>

NOTE 6: PASS-THROUGH INCOME

The amount came from pass-through activities such as Participatory Design Conference, DIAC/Public Sphere Project, CivSoc and Privaterra;

Gross income	\$ 21,535
Expenses	(46,201)

