

CPSR

2001-2002

Computer Professionals for Social Responsibility

Annual Report

Message from the President

Dear Members:

CPSR's 20th year was a story of extremes. As the fiscal year began, July 1, 2001, the future looked bright. The dot.com bubble was beginning to show signs of stress, but CPSR's coffers were healthy and our growth internationally was strong. As the 2000-2001 fiscal year drew to a

close we met for our 2nd Activist Roundtable in Palo Alto, CA, bringing together members from all over the country to hear from Karl Auerbach and Hans Klein on issues concerning ICANN and internet governance, work with human rights groups and their use of IT, and our upcoming DIAC conference focusing on developing a pattern language.

At the board meeting that accompanied the Roundtable, we met our two new international directors, Robert Guerra of Toronto, Canada and Kwami Ahiabenu of Accra, Ghana. Looking toward opening new venues for program work, we established as semi-autonomous program areas, the Civil Society Democracy Project and the Public Sphere Project directed by Hans Klein and Doug Schuler respectfully. These new projects are intended to provide members a vehicle through which they can pursue their passion, pursue outside funding, and operate in a semi-autonomous manner benefiting from the CPSR structure and member expertise.

The 2001-2002 budget projected a year of program growth and organizational optimism. *And then came 9/11 – and the rash of corporate accounting scandals – and the dot.com implosion.* By our 20th Anniversary Annual Meeting in Ann Arbor, Michigan in October, 2001, the mood had become a bit dark. Seriously impacted by the fear of air travel and diminishing resources, our “birthday bash” was a bit smaller and less festive than planned. But, more importantly, the event spawned a paper on National Identification Systems which was widely disseminated.

As concerns for the financial well-being of CPSR rose, the passage of the Patriot Act and parade of intrusions on civil liberties began. The nightmares CPSR members have worked to prevent throughout our history suddenly became real. The role computer technology plays in facilitating these transgressions became apparent to everyone, regardless of their technological sophistication. We suffered an all-too-real déjà vu with the re-emergence of Star Wars, CPSR’s founding issue, re-named “National Missile Defense”. And 2002 dawned with a new national focus – The Axis of Evil.

Suddenly the world has begun to look a lot like the ‘70s. But this time the “silent majority” is armed with an incredibly effective tool of dissent – the Internet. Online activism has developed into an art form with independent news reports, alerts, and calls to action reaching worldwide audiences and building a solid informational alternative to the homogenous, corporate, mainstream media.

In January, 2002, we announced the formation of our third ongoing project area, Privaterra – focusing on global human rights groups and secure communications. The spring brought the 8th Directions and Implications of Advanced Computing (DIAC) conference in Seattle, Washington. This highly successful conference initiated a new focus for CPSR – the organizing of the UN event, World Summit on the Information Society and the glaring void of any organizational structure through which the computing public can channel its voice issues of civil society. Committing to vigorous participation in the organizing process, CPSR then sent two representatives to Geneva, Switzerland to participate in PrepCom I just as the fiscal year ended. Despite the downward spiral of world events and economy of the 2001-2002 fiscal year, CPSR ended it with a highly successful conference – our first held outside of the United States. The 7th biennial Participatory Design Conference was held in Malmo, Sweden in June 2002.

Organizationally, CPSR has been able to transition our more costly person-to-person and paper systems to electronic with conference calls replacing physical board meetings and email and web site replacing the paper of our publications. Despite a large drop in donation revenue, we have

been able to cut costs enough to maintain operations without interruption. Unfortunately, we have had to suspend our Activist Roundtables and the publication of PING! for the time being. However, as the year ends, we are happy to report that CPSR will most certainly survive into her third decade and continue to fight the good fight as the issues multiply and grow globally.

As President of CPSR, this year has been the most challenging. Just as we began to vigorously move forward, the world took a turn. And, as has happened before in our 20 years, CPSR rose to the challenge, adjusted to the new realities, and began to move forward again. There is every reason to believe that CPSR is on a path to serve as a central forum through which the global grassroots will find its voice and make itself heard in the halls of power.

I thank the incredible work of our members to support CPSR with their expertise and energy, our Board of Directors who work 24/7 insuring CPSR runs smoothly, and our most excellent Managing Director, Susan Evoy.

Coralee Whitcomb, President

CPSR members are in 37 countries in Asia, Africa, Latin America, Europe, and Asia; and 48 U.S. states, six Canadian provinces; and 31 CPSR Chapters in:

Austin	Los Angeles	New Haven	Pittsburgh	Seattle
Berkeley	Madison	New Orleans	Portland, OR	Washington, D.C.
Boston	Maine	New York	RTP, NC	o AFRICA
Chicago	Michigan	Ohio	San Diego	o CANADA
Denver-Boulder	Milwaukee	Palo Alto	San Francisco	o EUROPE
Georgia	Minnesota	Philadelphia	Santa Cruz	o SPAIN
				o UGANDA

The 2001-2002 Year in Review

CPSR Events

CPSR's Annual Conference - Nurturing the Cybercommons: 1981-2021 and Norbert Wiener Award Dinner for Nira Schwartz and Theodore Postol, at the University of Michigan Saturday, October 20th.

PDC 2002 - "Participation and Design: Inquiring Into the Politics, Contexts and Practices of Collaborative Design Work" in Malmo, Sweden, June 23-25.

CPSR's Public Sphere Project, in collaboration with the National Communication Association's Task Force on the Digital Divide, hosted the DIAC 2002 - "Shaping the Network Society: Patterns for Participation, Action and Change" symposium in Seattle, WA, May 16-19.

CPSR Pittsburgh Chapter Forum - Computing after the World Trade Center: Surveillance and Privacy, November 1.

CPSR Pittsburgh Chapter - Citizen of the Republic: The National ID Card Debate, December 5

CPSR Pittsburgh Chapter - Computer Security Today, March 14

CPSR Georgia Chapter co-sponsors US Congressman Bob Barr talk on "Civil Liberties in Cyberspace" Georgia Tech, February 15, 2002

Publications

PDC 2002 Proceedings

[PDC 2002 - Participation and Design: Inquiring Into the Politics, Contexts and Practices of Collaborative Design Work](#)

Researchers, designers, and other practitioners from diverse design fields such as architecture, urban planning, engineering, interaction design and others (such as the fine arts) focused on understanding collaborative design work. The PDC 2002 Proceedings give a sense of the variety of perspectives and discourse on participation and design, point to creative new directions and innovative approaches, and highlight challenges confronting design practitioners concerned with the art of participatory design in connection to longstanding political concerns with user participation and democracy.

DIAC 2002 Proceedings

[Shaping the Network Society: Patterns for Participation, Action and Change](#)

Since 1987, Computer Professionals for Social Responsibility has hosted the biannual "Directions and Implications of Advanced Computing"(DIAC) symposium. The theme of the 2002 event, attended by 300 researchers and practitioners in Seattle in May, was "Shaping the Network Society: Patterns for Participation, Action and Change." Over 60 "patterns," based on the original concepts of Christopher Alexander and his colleagues, were presented.

The CPSR Journal

[CPSR Turns Twenty](#), edited by Aki Namioka includes articles by Severo Ornstein, Terry Winograd, Bob Wilcox, Erik Nilsson, Jeff Johnson, Doug Schuler, and Nathaniel Borenstein. The articles all appeared in the CPSR Newsletter, since its beginnings in 1983. The articles focus on answering the questions -- What were the issues that motivated the founding of CPSR? What were some of the questions we faced as Computer Professionals? How can CPSR activists influence policy makers?

Each article contains a retrospective update that focuses what has happened since the article was written. In many cases the issues are just as relevant as they were at the time of the original article.

3

Looking over these articles it shows the broad range of interests that CPSR activists have participated in. Turning twenty gives us the opportunity to sit back and reflect on how much we've accomplished. From Star Wars to Net Governance -- we've had an impact.

The CPSR Journal about the Annual Conference -[Nurturing the Cybercommons, 1981-2021](#)

[PING!s kept members informed of CPSR news.](#)

White Paper on the role of Chief Privacy Officers.

FAQ on National Identification Systems

CPSR's Essay Contest received almost 70 essays from 22 U.S. states, 3 other countries, high schools, community colleges, state universities, and private colleges. Subject areas included:

Community Networks, CyberRights, Education, Ethics, Intellectual Property, Law, Privacy and Civil Liberties, Reliability and Risk, Working in the Industry, and Workplace issues.

Comments & Testimony

Response to September 11th Terrorist Attacks

Charter on Terrorism

Comments on the Patriot Act to the Congressional Internet Caucus Advisory Committee

Letter to Majority Leader Arney on Privacy

Met with Federal Trade Commission Chairman Muris on privacy concerns.

[National ID](#) Cards to the California State Assembly Judiciary Committee.

Submitted reply comments about Microsoft/DOJ on March 11, and was included as [one of](#) the 47 "major" filings of the 30,000 comments released by the Department of Justice.

Submitted [comments](#) to the Senate Judiciary committee, five state sponsors, and Representatives Boucher and Schiff to express our serious misgivings regarding the Consumer Broadband and Digital Television Promotion Act (CBDTPA)

CPSR was asked by The National Center for State Courts and the Justice Management Institute to [comment](#) on a proposed model policy on privacy and public access to electronic court records.

Harry Hochheiser [testified](#) on February 14th about Identity Theft and Social Security Numbers in relation to HB 281, a proposed Maryland bill that would prohibit businesses from refusing to do business with customers who choose to keep their SSNs private.

Submitted "[Digital Rights Management: Whose Rights are Being Managed?](#)" to the Internet Caucus Advisory Committee.

As a member of the community of activism, CPSR Signed on to

A free speech amicus brief to the 9th Circuit in LICRA's appeal to the district court's decision in the Yahoo France case from CDT.

[Comments](#) protesting the Microsoft/Department of Justice settlement with NetAction.

4

EPIC's [comments](#) on the Telemarketing Sales Rule on May 8th

[Letter](#) to Members of the House Commerce Subcommittee on Consumer Protection, May 8th.

Global Internet Liberty Campaign letter to the Council of Europe concerned about their activities on computer-related crime and international co-operation, and urging protection of human rights on the global Internet.

Letter from an international coalition of consumer and privacy organizations, organized by EPIC, to Guy Verhofstadt, President of the European Union [Council of Ministers](#), expressing their concerns about a letter from President Bush requesting that a proposed EU Directive on the protection of privacy in the electronic communications sector be altered to allow for data retention of telephone calls and Internet messages.

Letter to US Attorney General Ashcroft to demonstrate large support across a broad range of organizations, for the pre 9/11 domestic spying guidelines.

The [ban](#) on weapons in space bill, HR2977, sponsored by Rep. Dennis Kucinich.

A [call to the Department of Commerce](#) to open to competition the process for selecting who will control the process of how Internet addresses are designed and assigned.

Amicus briefs in the [SonicBlue](#) and [Eldred v. Ashcroft](#)

EFF's amicus brief - DMCA Sklyarov

EFF's [amicus brief](#) urging a federal court to prevent the Recording Industry Association of America (RIAA) from forcing Internet Service Provider, Verizon, to identify a customer the RIAA has accused of offering infringing music on a peer-to-peer system.

[Comments](#) to the Federal Trade Commission regarding the Microsoft Passport Consent Order.

A letter from Veni Markovski to the Bulgarian National Assembly, concerned with the recent proposed draft of a new Bulgarian Telecommunications Act that would establish a procedure for licensing Internet service providers.

A [letter](#) in support of H.R. 5544, the Digital Media Consumers Rights Act, from a broad bi-partisan coalition to preserve personal fair use of digital media.

Non-profit Reuse Recycling Network letter to Judge Motze about the Microsoft settlement proposal.

Global Network Against Weapons & Nuclear Power in Space [petition](#) written by Bruce K. Gagnon.

CPSR's amicus brief in the matter before the California Supreme Court of DVD-CCA v. Bunner, a case challenging the use of California trade secret law to squelch the reverse- engineering and distribution of DeCSS code.

CPSR's Projects

Civil Society Democracy Project

<http://www.cpsr.org/internetdemocracy/>

Activities:

- _ Hans Klein represented CPSR at Internet Crossroads Where Technology and Policy Intersect, [Annual Meeting](#) of the Internet Society
- Organized public forum on democratic governance at ICANN Annual Meeting, Los Angeles (Civil Society Project)

Publications:

- _ Hans Klein's [Cyber-Federalist](#)
- _ "[Staying the Course on Internet Privatization: Comments on ICANN Reform](#)," for congressional hearings on ICANN

Quoted In:

- _ Internet Daily, March 14 "ICANN Board May Consider Endorsing At-Large But Delaying Elections" [Some Say ICANN Loses Legitimacy](#),"
- _ Reuters in Ghana in "Global Internet Body Set for Showdown in Ghana" by Kwaku Sakyi-Addo and Andy Sullivan
- _ Hans Klein was elected Alternate Chair of the governing panel of [ICANNatlarge.com](#), a newly-created organization to promote the user voice in Internet governance.
- _ UPI and Dow Jones spoke with Hans Klein about ICANN

Privaterra

<http://privaterra.cpsr.org>

CPSR announced the [creation of Privaterra](#) to help secure human rights on January 31st

Activities:

- _ Robert Guerra, CPSR Board Member and Director of CPSR's project to secure human rights - Privaterra - has conducted workshops in New York.
- _ Robert Guerra, Caryn Mladen, and Katitza Rodriguez represented Privaterra and CPSR during a week-long blitz of the San Francisco Bay Area while they were in the area for the Computers, Freedom, and Privacy Conference (CFP).
- _ They spoke at the Stanford Law School, CPSR's Birds of a Feather session at CFP, and
- _ CPSR Chapter meetings in Palo Alto and Berkeley

Included in:

- _ As a result of the EPIC newsletter including Privaterra, it was [mentioned](#) on Radio Free Europe/Radio Liberty (RFE/RL)
- _ Caryn Mladen, Director, Privaterra [responded to a journalist](#) from *Transfert.net/Transfert* magazine.
- _ The *Issue Barometer* included Privaterra and Robert Guerra in their "Special Interests" March 2002.
- _ David Casacuberta and Privaterra were mentioned in the internet/new technologies section of Spain's National *El Mundo* Newspaper.
- _ Privaterra got press in *The Toronto Star*, *The Chicago Tribune*, and *The Vancouver Sun*.

Public Sphere Project

<http://www.scn.org/sphere>

- _ In collaboration with the National Communication Associations's Task Force on the Digital Divide, the Project hosted the [DIAC 2002 – Shaping the Network Society](#) symposium. Like previous DIAC symposia, it again provided a forum for practitioners, researchers, and activists who are building civic and community information systems.
- _ The [Pattern Language](#) project of the Public Sphere Project now has a new main page and the listserv is up and running.

CPSR in the Press

Nira Schwartz, Norbert Wiener Award co-Winner 2001, was featured in *The New York Times*, "[Congressional Inquiry Cites Flaws in Antimissile Sensor](#)" by William J. Broad, March 4.

Much of the content appeared in the February 1st issue of *Science* (Vol. 295, No. 5556; p. 776), which also included the role of Theodore Postol (CPSR Norbert Wiener Award co-Winner 2001).

The story and the crucial role of Schwartz and Postol was also reported in *The Boston Globe* March 4 in "MIT team tied to questionable missile studies," by David Abel.

6

The April 2002 *Tech Review* included "[Why Missile Defense Won't Work](#)" by Theodore Postol

Coralee Whitcomb spoke with [IEEE Spectrum magazine](#) on intellectual property and the engineer -- specifically the case of DSC/Alcatel vs. Evan Brown and Mr. Brown's web site.

CBS spoke with Robert Guerra about employers monitoring employees at their keyboards.

Harry Hochheiser, CPSR Board Member, was quoted by *Wired News* about the [settlement](#) between the U.S. Federal Trade Commission and Microsoft:

Harry Hochheiser was quoted by *Wired News* and translated into [Hotwired Japan News](#)

The New York Times quoted Karen Coyle about FasTrak, the San Francisco Bay Area's traffic tracking system and concerns for privacy, on August 26th.

Karen was also quoted in the *Ventura Star Free Press* about Digital Angel's tracking device for kids.

NBC Channel 3 and another San Francisco Bay Area TV station covered [Chris Hibbert's January 8th testimony](#) to the California State Judiciary Committee about ID Cards in Sacramento, CA.

Ellen Spertus and Bennet Haselton were featured by Anick Jesdanun, AP Internet Writer, in 'Fed up with spam? You aren't only one.'

Ellen Spertus sued the online retailer Kozmo.com, which still sent her e-mail after she declined such pitches, under California's 1998 anti-spam law.

Bennett Haselton recently won four judgments of \$500 each in Washington state, and plans to write a 'how-to' guide.

Rich Meagher, CPSR San Francisco Chapter Contact, spoke with KPFA radio (Berkeley, CA) about a California spam decision.

Chris Hibbert spoke with *The Christian Science Monitor* about Social Security Numbers.

Al Whaley spoke with *Barometer/Issue* Management Council about CPSR's October 2nd 'Comments on Legislative Proposals to Protect National Security and their impact on the Communications Infrastructure.'

[Womenspace Magazine](#) online cited our website on their page about charitable status for advocacy groups.

Chapters

New Chapter and Working Group [guidelines](#)

CPSR Canada responded to proposed [amendments](#) to cybercrime and lawful access laws in Canada.

CPSR Spain put out a "Without Tax" manifesto and participates in weekly radio segments on cyber rights.

CPSR Spain inaugurated the first Spanish [Big Brother Awards](#).

CPSR's Managing Director became full-time.

Looking Forward to 2002-2003

CPSR enters the 2002-2003 fiscal with 1311 members worldwide. The high technology sector - the source of the majority of our members - has taken a severe hit economically. As is true throughout the nonprofit realm at this time, individual charitable donations are down and grant foundations are experiencing a growing need for their shrinking resources. Nevertheless, the future for CPSR looks bright.

This year's challenges have drawn on CPSR's long history of operating as a virtual organization. Our common vast experience of working together electronically meant that only minor adjustments were necessary to maintain business as usual in spite of the economic situation. Objectives for the coming year are to seek foundation grants for our ongoing program areas and develop a serious initiative to find foundation support for taking the organization to the next level of operation.

Three years ago the Board of CPSR committed to making the organization international. Since then we have revised guidelines for chapter formation worldwide, developed connections with activists in several countries interested in creating chapters, and increased our capability of handling international issues. As of the start of the 2002-2003 fiscal year, we have Board members from Canada, Ghana, and Peru.

The coming World Summit of the Information Society, December 2003 in Geneva, Switzerland has provided a goal for CPSR. By aggressively participating in the various organizing events and revising our operational mechanisms to accommodate multiple cultures, we intend to present

CPSR as an organization through which the global grassroots can engage in the civil society of the Information Age. We have developed multiple entry points to activism whereby members can educate themselves on the issues, volunteer at numerous skill levels, and progress through increasingly sophisticated activities to leadership positions. As we have defined and developed this comprehensive set of tasks, we have endeavored to broaden our reach. CPSR chapters now exist on every continent but Australia.

Ultimately, we hope to make CPSR the affiliation of choice for all people worldwide working to insure that our global information infrastructure remains free and open to all.

ACCOUNTANT'S COMPILATION REPORT

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

We have compiled the accompanying statement of financial position of Computer Professionals for Social Responsibility, Inc. as of June 30, 2002 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. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance on them.

Management has elected to omit substantially all of the disclosures required by generally accepted accounting principles. If the omitted disclosures were included in the financial statements they might influence the user's conclusions about Computer Professionals for Social Responsibility, Inc.'s financial position and changes in net assets. Accordingly, these financial statements are not designed for those who are not informed about such matters.

DENNIS L. LORETTE
ACCOUNTANCY CORPORATION
Pinole, California
January 10, 2003

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

STATEMENT OF FINANCIAL POSITION
JUNE 30, 2002

<u>ASSETS</u>	
<u>Current Assets:</u>	
Cash and cash equivalents	\$ 41,434
Inventories	200
Investment account (Note 3)	<u>521</u>
Total Current Assets	\$ 42,155
<u>Property and Equipment:</u> (Note 2)	
Furniture and fixtures	41,658
Machinery and equipment	10,18
Other assets	45,233
Less: Accumulated depreciation	<u>(97,071)</u>
Total Property and Equipment	<u>-0-</u>
TOTAL ASSETS	<u>\$ 42,155</u>
<u>LIABILITIES AND NET ASSETS</u>	
<u>Liabilities:</u>	
Accounts payable	\$ <u>381</u>
Total Liabilities	\$ 381
<u>Net Assets:</u>	
Unrestricted	41,774
Temporarily restricted	-
Permanently restricted	<u>-</u>
Total Net Assets	<u>41,774</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 42,155</u>

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

10

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

STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2002

UNRESTRICTED NET ASSETS: (NOTES 1 & 2)

Unrestricted revenues:	
Member dues	\$ 71,067

Contributions	20,837
Conference income	55,414
Merchandise sales	3,496
Miscellaneous income	2,817
Unrealized loss on investments (Note 3)	<u>(195)</u>
Total Unrestricted Revenues	153,436
Net assets released from restrictions:	
Restrictions satisfied by payments	<u>36,143</u>
Total Unrestricted Revenues and Other Support	189,579
Expenses:	
Program	116,401
Support	<u>95,126</u>
Total Expenses	<u>211,527</u>
Decrease in unrestricted net assets	(21,948)
<u>TEMPORARILY RESTRICTED NET ASSETS:</u>	
Contributions	36,143
Net assets released from restrictions:	
Restrictions satisfied by payments	<u>(36,143)</u>
Increase (Decrease) in Temporarily Restricted Net Assets	<u>-0-</u>
<u>PERMANENTLY RESTRICTED NET ASSETS:</u>	
Increase (Decrease) in Permanently Restricted Net Assets	<u>-0-</u>
Decrease in Net Assets	(21,948)
NET ASSETS, BEGINNING OF YEAR	<u>63,722</u>
NET ASSETS, END OF YEAR	<u>\$ 41,774</u>

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

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

STATEMENT OF CASH FLOWS
JUNE 30, 2002

CASH FLOWS FROM OPERATING ACTIVITIES:

Decrease in net assets	\$(21,948)
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Change in unrealized loss on Investments (Note 3)	(195)

Decrease in accounts payable	<u>(1,896)</u>	
NET CASH PROVIDED BY OPERATING ACTIVITIES	(24,039)	
<u>CASH FLOWS FROM FINANCING ACTIVITIES:</u>		<u>-</u>
NET CASH PROVIDED BY FINANCING ACTIVITIES	-0-	
<u>CASH FLOWS FROM INVESTING ACTIVITIES:</u>		<u>-</u>
NET CASH PROVIDED BY (USED BY) INVESTING ACTIVITIES	-0-	
NET INCREASE IN CASH AND CASH EQUIVALENTS		(24,039)
CASH, BEGINNING OF YEAR	<u>65,473</u>	
CASH, END OF YEAR	<u>\$ 41,434</u>	

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

STATEMENT OF FUNCTIONAL EXPENSES
JUNE 30, 2002

	<u>PROGRAM SERVICES</u>	<u>SUPPORT SERVICES</u>	<u>TOTAL</u>
Salaries	\$ 47,242	\$ 47,242	
Employee benefits	<u>3,123</u>	<u>3,123</u>	
Sub Total	50,365	50,365	
Accounting	400	400	
Advertising	927	927	
Bank charges	2,764	2,764	
Brochures/printing/graphics	7,463	3,737	11,200
Dues/subscriptions	33,905	33,905	
Equipment rental	2,134	2,134	
Information services	2,270	2,270	
Insurance	3,786	3,786	
Office expenses	987	987	
Postage and shipping	2,009	3,204	5,213
Program expenses	64,736	64,736	
Rent/storage	10,914	10,914	
Supplies	47	47	
Taxes and licenses	58	58	
Telephone	2,011	2,011	
Travel and lodging	7,871	11,463	19,334
Miscellaneous	<u>370</u>	<u>106</u>	<u>476</u>
Totals	<u>\$ 116,401</u>	<u>\$ 95,126</u>	<u>\$ 211,527</u>

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

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

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 corporate income taxation under the provisions of Section 501 (c) (3) of the Internal Revenue Code.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

o Functional Expenses

CPSR 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.

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

NOTES TO COMPILED FINANCIAL STATEMENTS (CONTINUED)

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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:

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

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 \$ 717 and the current market value is \$ 521 for an unrealized loss of \$ 195.

16

CPSR

Computer Professionals for Social Responsibility
P.O. Box 717
Palo Alto, CA 94320
Telephone: 650-322-3778
Fax: 650-322-4748
cpsr@cpsr.org
<http://www.cpsr.org>

Officers:

Coralee Whitcomb, President
Hans Klein, Chair
Herb Kanner, Secretary
Steve Teicher, Treasurer

Directors:

Kwami Ahiabenu II
Netiva Caftori
Jean Camp
John Dwyer
Robert Guerra
Gene Haldeman
Harry Hochheiser
Dara O'Neil

Special Directors:

Glenn Manishin
Phil Zimmermann

Managing Director:

Susan Evoy

CPSR's Mission

CPSR is a public-interest alliance of computer scientists and others concerned about the impact of computer technology on society. We work to influence decisions regarding the development and use of computers because those decisions have far-reaching consequences and reflect our basic values and priorities.

As technical experts, CPSR members provide the public and policymakers with realistic assessments of the power, promise, and limitations of computer technology. As concerned citizens, we direct public attention to critical choices concerning the applications of computing and how those choices affect society.

Every project we undertake is based on five principles:

- We foster and support public discussion of, and public responsibility for decisions involving the use of computers in systems critical to society.
- We work to dispel popular myths about the infallibility of technological systems.
- We challenge the assumption that technology alone can solve political and social problems.
- We critically examine social and technical issues within the computer profession, both nationally and internationally.
- We encourage the use of information technology to improve the quality of life.

CPSR is a democratically organized membership organization. Our accomplishments result from the active involvement of our members, supported by the CPSR staff and computer professionals across the country.