

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

PALO ALTO, CALIFORNIA

COMPILED  
FINANCIAL STATEMENTS

JUNE 30, 2005

LAARNI VON RUDEN, CPA

PALO ALTO, CALIFORNIA

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

PALO ALTO, CALIFORNIA

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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, 2005 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.

LAARNI VON RUDEN, CPA  
Palo Alto, California  
December 21, 2005

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

PALO ALTO, CALIFORNIA

STATEMENT OF FINANCIAL POSITION

JUNE 30, 2005

ASSETS

Current Assets:

Cash and cash equivalents	\$ 116,609
Investments	388
Prepaid expenses	2,308
Other assets (Note 8)	<u>3,000</u>

Total Current Assets	\$ 122,305
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Property and Equipment:

Property and equipment	5,941
Less: Accumulated depreciation	<u>( 5,941)</u>

Total Property and Equipment	<u>-0-</u>
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TOTAL ASSETS	\$ <u>122,305</u>
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LIABILITIES AND NET ASSETS

Liabilities:

Accounts payable	\$ <u>4,388</u>	
Total Liabilities		\$ <u>4,388</u>

Net Assets:

Unrestricted	44,799
Election Project	6,671
Kapor Gift for Audit	5,000
Afilias Grant for Internet Governance	2,225
PDC 2004	2,000
PSP/DIAC	558
Ford Grant	26,552
NATO Grant	30,112
Permanently restricted	<u>-0-</u>

Total Net Assets	<u>117,917</u>
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TOTAL LIABILITIES AND NET ASSETS	\$ <u>122,305</u>
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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, 2005

UNRESTRICTED NET ASSETS:

Support:	
Member dues	\$ 47,902
Contributions	<u>27,362</u>
Total Support	75,264

Revenue:	
Event income	11,172
Net sales	56
Interest and dividends	1,139
Refunds	<u>1,193</u>
Total Support and Revenue	88,824
Net assets released from restrictions	<u>102,022</u>

Total	<u>190,846</u>
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Expenses:	
Program services	( 72,894)
Administration	( 85,265)
Fundraising	<u>( 700)</u>
Total Expenses	<u>(158,859)</u>

Increase (decrease) in unrestricted net assets	<u>31,987</u>
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TEMPORARILY RESTRICTED NET ASSETS:

Contributions	54,505
Net assets released from restrictions	<u>102,022</u>
Increase (Decrease) in Temporarily Restricted Net Assets	<u>(47,517)</u>

PERMANENTLY RESTRICTED NET ASSETS:

Increase (Decrease) in Permanently Restricted Net Assets	<u>-0-</u>
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Increase (Decrease) in Net Assets	(15,530)
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NET ASSETS, BEGINNING OF YEAR	<u>133,447</u>
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NET ASSETS, END OF YEAR	\$ <u>117,917</u>
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COMPUTER PROFESSIONALS FOR SOCIAL RESPONSIBILITY, INC.  
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PALO ALTO, CALIFORNIA

STATEMENT OF CASH FLOWS  
JUNE 30, 2005

CASH FLOWS FROM OPERATING ACTIVITIES:

Decrease in net assets	\$ (15,530)
Adjustments to reconcile change in net assets to net cash provided by operating activities:	

Unrealized loss in investment account	<u>62</u>
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NET CASH PROVIDED BY OPERATING ACTIVITIES	(15,468)
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<u>CASH FLOWS FROM FINANCING ACTIVITIES:</u>	<u>0-</u>
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NET CASH PROVIDED BY FINANCING ACTIVITIES	0-
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<u>CASH FLOWS FROM INVESTING ACTIVITIES:</u>	<u>0-</u>
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NET CASH PROVIDED BY (USED BY) INVESTING ACTIVITIES	0-
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NET DECREASE IN CASH AND CASH EQUIVALENTS	(15,468)
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CASH, BEGINNING OF YEAR	<u>132,077</u>
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CASH, END OF YEAR	<u>\$ 116,609</u>
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COMPUTER PROFESSIONALS FOR SOCIAL RESPONSIBILITY, INC.  
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PALO ALTO, CALIFORNIA

STATEMENT OF FUNCTIONAL EXPENSES  
JUNE 30, 2005

	<u>PROGRAM SERVICES</u>	FUNDRAISING AND SUPPORT <u>SERVICES</u>	<u>TOTAL</u>
<u>Salaries:</u>			
Salaries		\$ 23,266	\$ 23,266
Payroll taxes		1,942	1,942
Employee benefits		<u>2,509</u>	<u>2,509</u>
Sub Total		27,717	27,717
<u>Operations:</u>			
Audit and accounting		6,000	6,000
Bank charges		2,171	2,171
Board expenses	1,350	5,438	6,788
Coalition building and other	2,036	22	2,058
Essay contest	400		400
Fund-raising		700	700
Information services		803	803
Insurance		1,104	1,104
Memberships		2,402	2,402
Office and other admin		4,210	4,210
Postage		61	61
Printing and publications	9,584	8,262	17,847
Professional services		3,790	3,790
Program expenses	58,235	12,829	71,063
Rent/storage		8,395	8,395
Taxes and licenses		25	25
Telephone and internet	<u>1,289</u>	<u>2,036</u>	<u>3,325</u>
Totals	\$ <u>72,894</u>	\$ <u>85,965</u>	\$ <u>158,859</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

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.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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.

COMPUTER PROFESSIONALS FOR SOCIAL RESPONSIBILITY, INC.  
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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

CPSR 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:

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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 \$ 388 for an unrealized loss of \$ 133.

NOTE 4: EVENT INCOME

	Annual Meeting	Chapter Events	Weiner 2005	PDC	TOTALS
Gross income	\$1,698	\$ 60	\$ 60	\$ 9,354	\$11,172
Less: expenses	(2,271)	( 83)	(957)	(29,950)	(33,261)

Net Income	\$ (573)	\$ ( 23)	\$ (897)	\$ (20,596)	\$ ( <u>22,089</u> )
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NOTES TO COMPILED FINANCIAL STATEMENTS (CONTINUED)

NOTE 5: MERCHANDISE SALES

This consists of:

Gross sales	\$ 1,180
Less: expenses	<u>(1,124)</u>
	\$ <u>56</u>

NOTE 6: OTHER PROGRAMS

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

NOTE 7: CONCENTRATION OF CREDIT RISK

CPSR maintains balances in financial institutions with an FDIC coverage limit of \$100,000. As of June 30, 2005, the Organization's cash balances were fully covered by the limit.

NOTE 8: OTHER ASSETS

Other assets consisted of \$3,000 receivable from the officer of the Seattle chapter.

NOTE 9: COMMITMENTS

CPSR leases its administrative office space from All Saints Episcopal Church for a current monthly rent of \$725. Total payments for the administrative office for the year ended June 30, 2005 were \$8,700. Future minimum lease payments for the fiscal years ended June 30, 2006 to 2009 are \$8,700 per year.

NOTE 10: INTERNATIONAL AFFILIATES

Similar organizations exist in Canada, Peru, Spain, Japan and Africa/Uganda.

December 21, 2005

Susan Evoy  
Managing Director  
Computer Professionals for  
Social Responsibility, Inc.  
P.O. Box 717  
Palo Alto, CA 94302

Re: Compilation Report at June 30, 2005

Dear Susan:

Enclosed is a soft copy of the Report of Computer Professionals for Social Responsibility, Inc. for the year ended June 30, 2005.

Please call me if you have any questions.

Sincerely,

Laarni von Ruden

Enc.