



THE CENTER FOR  
EFFECTIVE PHILANTHROPY

**THE CENTER FOR EFFECTIVE PHILANTHROPY, INC.**

REPORT ON AUDIT OF FINANCIAL STATEMENTS

DECEMBER 31, 2010 AND 2009

**THE CENTER FOR EFFECTIVE PHILANTHROPY, INC.**

REPORT ON AUDIT OF FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009

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## Bernard, Johnson & Company, P.C.

Certified Public Accountants and Business Advisors

### INDEPENDENT AUDITORS' REPORT

To the Board of Directors of  
The Center for Effective Philanthropy, Inc.:

We have audited the accompanying statements of financial position of The Center for Effective Philanthropy, Inc. (a Massachusetts corporation, not for profit) as of December 31, 2010 and 2009 and the related statements of activities and changes in net assets, cash flows and functional expenses for the years then ended. These financial statements are the responsibility of The Center for Effective Philanthropy's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. 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 audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Center for Effective Philanthropy, Inc. as of December 31, 2010 and 2009 and the changes in its net assets and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

*Bernard Johnson & Company P.C.*

Topsfield, Massachusetts  
March 21, 2011

THE CENTER FOR EFFECTIVE PHILANTHROPY, INC.

STATEMENTS OF FINANCIAL POSITION  
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009

ASSETS	2010		2009		
	Unrestricted	Temporarily Restricted	Unrestricted	Temporarily Restricted	Total
<b>CURRENT ASSETS:</b>					
Cash and cash equivalents	\$ 783,877	\$ 797,537	\$ 1,581,414	\$ 1,450,000	\$ 2,353,219
Investments	1,706,979	-	1,706,979	-	2,116,843
Accounts receivable	70,411	-	70,411	-	64,017
Pledges receivable	-	685,000	685,000	1,066,666	1,066,666
Prepaid expenses and deposits	79,715	-	79,715	-	66,146
Total current assets	2,640,982	1,482,537	4,123,519	2,516,666	5,666,891
PLEDGES RECEIVABLE, net of current portion	-	231,214	231,214	168,269	168,269
FIXED ASSETS, net	255,211	-	255,211	-	363,840
<b>TOTAL ASSETS</b>	\$ 2,896,193	\$ 1,713,751	\$ 4,609,944	\$ 2,684,935	\$ 6,199,000
<b>LIABILITIES AND NET ASSETS</b>					
<b>CURRENT LIABILITIES:</b>					
Accounts payable and accrued expenses	\$ 261,767	\$ -	\$ 261,767	\$ -	\$ 263,523
Deferred revenue	331,914	-	331,914	-	1,113,855
Total current liabilities	593,681	-	593,681	-	1,377,378
<b>TOTAL LIABILITIES</b>	593,681	-	593,681	-	1,377,378
<b>NET ASSETS:</b>					
Unrestricted-					
Operating	569,122	-	569,122	-	689,947
Board designated	1,488,179	-	1,488,179	-	1,082,900
Fixed assets	245,211	-	245,211	-	363,840
Total unrestricted	2,302,512	-	2,302,512	-	2,136,687
Temporarily restricted	-	1,713,751	1,713,751	2,684,935	2,684,935
<b>TOTAL NET ASSETS</b>	2,302,512	1,713,751	4,016,263	2,136,687	4,821,622
<b>TOTAL LIABILITIES AND NET ASSETS</b>	\$ 2,896,193	\$ 1,713,751	\$ 4,609,944	\$ 2,684,935	\$ 6,199,000

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

THE CENTER FOR EFFECTIVE PHILANTHROPY, INC.

STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS  
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009

	2010			2009		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
<b>OPERATING REVENUE AND SUPPORT:</b>						
Grants and contributions-						
General operations	\$ 646,985	\$ 945,482	\$ 1,592,467	\$ 1,560,110	\$ 1,117,874	\$ 2,677,984
Net assets released from restrictions	1,916,666	(1,916,666)	-	1,271,667	(1,271,667)	-
Total grants and contributions	2,563,651	(971,184)	1,592,467	2,831,777	(153,793)	2,677,984
Earned revenue -						
Assessment tools	3,150,792	-	3,150,792	2,543,027	-	2,543,027
CEP conference fees	-	-	-	220,904	-	220,904
Investment income	47,006	-	47,006	55,886	-	55,886
Speaking engagement fees	3,500	-	3,500	7,250	-	7,250
Total earned revenue	3,201,298	-	3,201,298	2,827,067	-	2,827,067
Total operating revenue and support	5,764,949	(971,184)	4,793,765	5,658,844	(153,793)	5,505,051
<b>OPERATING EXPENSES:</b>						
Program services	4,549,519	-	4,549,519	4,294,940	-	4,294,940
General and administrative	909,287	-	909,287	839,671	-	839,671
Fundraising	140,318	-	140,318	118,954	-	118,954
Total operating expenses	5,599,124	-	5,599,124	5,253,565	-	5,253,565
Changes in net assets from operations	165,825	(971,184)	(805,359)	405,279	(153,793)	251,486
NET ASSETS, beginning of year	2,136,687	2,684,935	4,821,622	1,731,408	2,838,728	4,570,136
NET ASSETS, end of year	<u>\$ 2,302,512</u>	<u>\$ 1,713,751</u>	<u>\$ 4,016,263</u>	<u>\$ 2,136,687</u>	<u>\$ 2,684,935</u>	<u>\$ 4,821,622</u>

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