

**FINANCIAL STATEMENTS**



**FOR THE YEAR ENDED DECEMBER 31, 2013  
WITH SUMMARIZED FINANCIAL  
INFORMATION FOR 2012**

# SEARCH FOR COMMON GROUND

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Search for Common Ground  
Washington, D.C.

We have audited the accompanying financial statements of Search for Common Ground (SFCG), which comprise the statement of financial position as of December 31, 2013, and the related statements of activities and change in net assets, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of SFCG as of December 31, 2013, and the change in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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### **Report on Summarized Comparative Information**

We have previously audited SFCG's 2012 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated November 26, 2013. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2012, is consistent, in all material respects, with the audited financial statements from which it has been derived.

*Gelman Rosenberg & Friedman*

September 29, 2014

**SEARCH FOR COMMON GROUND**  
**STATEMENT OF FINANCIAL POSITION**  
**AS OF DECEMBER 31, 2013**  
**WITH SUMMARIZED FINANCIAL INFORMATION FOR 2012**

**ASSETS**

	<u>2013</u>	<u>2012</u>
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 2,152,205	\$ 3,497,250
Grants and contracts receivable (Note 7)	28,084,065	30,772,141
Pledges receivable	-	13,386
Advances	973,046	383,698
Due from SFCG Affiliate (Note 9)	810,871	-
Prepaid expenses	<u>110,847</u>	<u>145,890</u>
Total current assets	<u>32,131,034</u>	<u>34,812,365</u>
<b>FIXED ASSETS</b>		
Furniture and fixtures	224,858	219,571
Office equipment	145,475	145,475
Software and computer equipment	<u>1,245,822</u>	<u>1,245,822</u>
	1,616,155	1,610,868
Less: Accumulated depreciation and amortization	<u>(1,584,699)</u>	<u>(1,512,748)</u>
Net fixed assets	<u>31,456</u>	<u>98,120</u>
<b>OTHER ASSETS</b>		
Deposit	<u>62,289</u>	<u>55,761</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 32,224,779</u></b>	<b><u>\$ 34,966,246</u></b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Line of credit (Note 4)	\$ 1,055,000	\$ -
Capital lease obligated (Note 2)	20,277	20,277
Accounts payable	724,195	776,746
Other accrued expenses	804,302	1,346,822
Refundable advance (Note 8)	759,897	-
Deposits	<u>-</u>	<u>9,720</u>
Total current liabilities	<u>3,363,671</u>	<u>2,153,565</u>
<b>LONG-TERM LIABILITIES</b>		
Capital lease obligated, net of current portion (Note 2)	<u>1,713</u>	<u>21,930</u>
Total liabilities	<u>3,365,384</u>	<u>2,175,495</u>
<b>NET ASSETS</b>		
Unrestricted deficit	(3,498,416)	(1,718,143)
Temporarily restricted (Note 3)	<u>32,357,811</u>	<u>34,508,894</u>
Total net assets	<u>28,859,395</u>	<u>32,790,751</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b><u>\$ 32,224,779</u></b>	<b><u>\$ 34,966,246</u></b>

See accompanying notes to financial statements.

## SEARCH FOR COMMON GROUND

**STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS  
FOR THE YEAR ENDED DECEMBER 31, 2013  
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2012**

	2013			2012
	Unrestricted	Temporarily Restricted	Total	Total
<b>SUPPORT AND REVENUE</b>				
Grant and contract revenue	\$ -	\$ 24,415,361	\$ 24,415,361	\$ 33,728,439
Contributions	742,980	-	742,980	888,936
Interest	1,153	-	1,153	969
Other revenue	243,385	-	243,385	185,046
In-kind contributions	-	-	-	159,997
Net assets released from donor restrictions (Note 3)	<u>25,390,933</u>	<u>(25,390,933)</u>	<u>-</u>	<u>-</u>
Total support and revenue	<u>26,378,451</u>	<u>(975,572)</u>	<u>25,402,879</u>	<u>34,963,387</u>
<b>EXPENSES</b>				
Program Services	23,405,897	-	23,405,897	19,615,764
Management and General	4,441,059	-	4,441,059	3,887,616
Fundraising	180,903	-	180,903	109,819
Unrestricted	<u>130,865</u>	<u>-</u>	<u>130,865</u>	<u>61,501</u>
Total expenses	<u>28,158,724</u>	<u>-</u>	<u>28,158,724</u>	<u>23,674,700</u>
Change in net assets before other items	(1,780,273)	(975,572)	(2,755,845)	11,288,687
<b>OTHER ITEMS</b>				
Due to donor for closed grants (Note 8)	-	(759,897)	(759,897)	-
De-obligation of funds	<u>-</u>	<u>(415,614)</u>	<u>(415,614)</u>	<u>-</u>
Change in net assets	(1,780,273)	(2,151,083)	(3,931,356)	11,288,687
Net assets at beginning of year	<u>(1,718,143)</u>	<u>34,508,894</u>	<u>32,790,751</u>	<u>21,502,064</u>
<b>NET ASSETS AT END OF YEAR</b>	<b><u>\$ (3,498,416)</u></b>	<b><u>\$ 32,357,811</u></b>	<b><u>\$ 28,859,395</u></b>	<b><u>\$ 32,790,751</u></b>

**SEARCH FOR COMMON GROUND**

**STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2013  
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2012**

	Program Services				2013
	Africa Programs	Asia Programs	MENA Programs	Global Programs	Total Program Services
Salaries and benefits (Note 6)	\$ 4,006,965	\$ 1,039,043	\$ 1,437,071	\$ 1,019,234	\$ 7,502,313
Consultants and professional services	471,084	222,451	221,706	309,094	1,224,335
Passthroughs and subgrants	629,413	(7,031)	1,317,568	77,540	2,017,490
Equipment	443,050	27,171	20,199	11,299	501,719
Travel	1,284,082	378,615	396,858	313,645	2,373,200
TV/video/radio production	1,740,284	218,187	23,934	25,204	2,007,609
Education and seminar	1,202,303	359,163	248,878	85,399	1,895,743
Professional legal services	-	-	200	-	200
Research and development	1,717,211	110,743	18,616	101,917	1,948,487
Vehicle expenses	425,883	18,033	(28,923)	29,965	444,958
Rent (Note 5)	558,629	93,301	106,389	36,077	794,396
Office expenses	777,422	215,728	58,076	34,452	1,085,678
Telephone/internet	349,429	33,011	40,591	40,195	463,226
Printing	17,560	2,684	26,606	8,364	55,214
Postage and delivery	72,033	15,786	8,361	1,777	97,957
Conferences and meetings	207,093	230,556	72,298	75,140	585,087
Dues and subscriptions	2,024	4,929	190	-	7,143
Bank charges and other fees	143,499	62,387	16,474	3,315	225,675
Depreciation and amortization	-	-	-	-	-
Other expenses	29,319	14,040	130,908	1,200	175,467
Management and general cost sharing with affiliate	-	-	-	-	-
Subtotal	14,077,283	3,038,797	4,116,000	2,173,817	23,405,897
Overhead allocation	2,638,644	569,592	771,503	407,459	4,387,198
<b>TOTAL</b>	<b>\$16,715,927</b>	<b>\$ 3,608,389</b>	<b>\$ 4,887,503</b>	<b>\$2,581,276</b>	<b>\$27,793,095</b>

<b>Supporting Services</b>						<b>2012</b>
<b>Management and General</b>	<b>Fundraising</b>	<b>Unrestricted</b>	<b>Total Supporting Services</b>	<b>Total Expenses</b>	<b>Total Expenses</b>	
\$ 2,513,438	\$ 127,915	\$ 30,170	\$ 2,671,523	\$ 10,173,836	\$ 9,193,733	
448,928	-	15,740	464,668	1,689,003	1,090,714	
(59)	8,000	-	7,941	2,025,431	1,422,351	
100,368	18,905	14,238	133,511	635,230	387,802	
192,260	3,616	579	196,455	2,569,655	2,092,151	
2	-	-	2	2,007,611	2,668,326	
36,078	-	-	36,078	1,931,821	1,330,791	
-	-	1,099	1,099	1,299	159,997	
-	-	-	-	1,948,487	1,424,134	
382	-	49,897	50,279	495,237	499,376	
398,305	-	300	398,605	1,193,001	1,069,348	
499,483	128	(894)	498,717	1,584,395	1,211,339	
55,332	71	325	55,728	518,954	443,709	
18,306	1,908	-	20,214	75,428	85,803	
(14,453)	3,679	113	(10,661)	87,296	88,314	
4,932	7,770	(452)	12,250	597,337	514,029	
3,905	2,995	75	6,975	14,118	13,616	
72,503	3,507	19,675	95,685	321,360	221,564	
71,951	-	-	71,951	71,951	203,667	
39,398	2,409	-	41,807	217,274	218,736	
-	-	-	-	-	(664,800)	
4,441,059	180,903	130,865	4,752,827	28,158,724	23,674,700	
(4,421,106)	33,908	-	(4,387,198)	-	-	
<b>\$ 19,953</b>	<b>\$ 214,811</b>	<b>\$ 130,865</b>	<b>\$ 365,629</b>	<b>\$ 28,158,724</b>	<b>\$ 23,674,700</b>	



## SEARCH FOR COMMON GROUND

**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED DECEMBER 31, 2013**  
**WITH SUMMARIZED FINANCIAL INFORMATION FOR 2012**

	<u>2013</u>	<u>2012</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ (3,931,356)	\$ 11,288,687
Adjustments to reconcile change in net assets to net cash (used) provided by operating activities:		
Depreciation and amortization	71,951	203,667
(Increase) decrease in:		
Grants and contracts receivable	2,688,076	(10,807,533)
Pledges receivable	13,386	14,914
Advances	(589,348)	(292,100)
Due from SFCG Affiliate	(810,871)	-
Prepaid expenses	35,043	123,806
Deposit	(6,528)	(6)
Increase (decrease) in:		
Accounts payable	(52,551)	(174,537)
Refundable advance	759,897	(70,382)
Other accrued expenses	(542,520)	742,306
Deposits	(9,720)	-
Net cash (used) provided by operating activities	<u>(2,374,541)</u>	<u>1,028,822</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets	<u>(5,287)</u>	<u>(11,100)</u>
Net cash used by investing activities	<u>(5,287)</u>	<u>(11,100)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from note payable	4,232,000	2,500,000
Repayment of note payable	(3,177,000)	(2,500,000)
Payments on capital lease	<u>(20,217)</u>	<u>(17,793)</u>
Net cash provided (used) by financing activities	<u>1,034,783</u>	<u>(17,793)</u>
Net (decrease) increase in cash and cash equivalents	(1,345,045)	999,929
Cash and cash equivalents at beginning of year	<u>3,497,250</u>	<u>2,497,321</u>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<b><u>\$ 2,152,205</u></b>	<b><u>\$ 3,497,250</u></b>
<b>SUPPLEMENTAL INFORMATION</b>		
<b>Capital Lease Purchase</b>	<b><u>\$ -</u></b>	<b><u>\$ 60,000</u></b>
<b>Interest Paid</b>	<b><u>\$ 27,651</u></b>	<b><u>\$ 6,738</u></b>

See accompanying notes to financial statements.

## SEARCH FOR COMMON GROUND

### NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2013

#### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION

##### Organization -

Search for Common Ground (SFCG) is an independent, non-profit organization dedicated to finding workable solutions to divisive national and international problems. SFCG's programs aim to channel conflict toward constructive outcomes in order to build a more secure and peaceful world.

##### Basis of presentation -

The accompanying financial statements are presented on the accrual basis of accounting, and in accordance with FASB ASC 958, *Not-for-Profit Entities*.

The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with SFCG's financial statements for the year ended December 31, 2012, from which the summarized information was derived.

The accompanying financial statements represent the activity of SFCG only.

##### Cash and cash equivalents -

SFCG considers all cash and other highly liquid investments with initial maturities of three months or less to be cash equivalents.

Bank deposit accounts are insured by the Federal Deposit Insurance Corporation (FDIC) up to a limit of \$250,000. At times during the year, SFCG maintains cash balances in excess of the FDIC insurance limits. Management believes the risk in these situations to be minimal.

SFCG had \$1,777,102 of cash and cash equivalents held at financial institutions in foreign countries at December 31, 2013. The majority of funds invested in foreign countries are uninsured.

##### Foreign currency translation -

The United States dollar ("Dollars") is the functional currency for SFCG's operations. Transactions in currencies other than U.S. Dollars are translated into Dollars at the historical rate of exchange during the month of the transaction. All assets and liabilities denominated in non-U.S. currency are translated into Dollars based on the historical rate of exchange.

##### Receivables -

Receivables are recorded at their net realizable value, which approximates fair value. Management considers all amounts to be fully collectible. Accordingly, an allowance for doubtful accounts has not been established.

##### Fixed assets -

Fixed assets purchased with a cost of \$5,000 or more are capitalized and shown in the Statement of Financial Position. Fixed assets are depreciated/amortized on the straight-line method over the estimated useful lives of the related assets, generally five to seven years. The cost of maintenance and repairs is recorded as expenses are incurred. Depreciation and amortization expense for the year ended December 31, 2013 totaled \$71,951.

## SEARCH FOR COMMON GROUND

### NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2013

#### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION (Continued)

##### Income taxes -

SFCG is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes has been made in the accompanying financial statements. SFCG is not a private foundation.

##### Uncertain tax positions -

For the year ended December 31, 2013, SFCG has documented its consideration of FASB ASC 740-10, *Income Taxes*, that provides guidance for reporting uncertainty in income taxes and has determined that no material uncertain tax positions qualify for either recognition or disclosure in the financial statements.

The Federal Form 990, *Return of Organization Exempt from Income Tax*, is subject to examination by the Internal Revenue Service, generally for three years after it is filed.

##### Net asset classification -

The net assets of SFCG are reported in three self-balancing groups as follows:

- **Unrestricted net assets** represent the portion of expendable funds that are available for the general support of SFCG's operations.
- **Temporarily restricted net assets** represent amounts that are specifically restricted by donors or grantors for various programs or for future periods.
- **Permanently restricted net assets** represent funds restricted by the donor to be maintained in-perpetuity by SFCG. There were no permanently restricted net assets at December 31, 2013.

##### Grants, contracts and contributions -

SFCG reports gifts of cash and other assets as temporarily restricted if they are received with donor stipulations that limit the use of the donated assets. When a stipulated restriction ends or is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities and Change in Net Assets released from restrictions. If the stipulation is met in the same reporting period in which the contribution is recorded, SFCG reports the contribution as unrestricted.

SFCG receives funding under grants and contracts from the U.S. and foreign governments, international organizations and other grantors for direct and indirect program costs.

This funding is subject to contractual restrictions, which must be met through incurring qualifying expenses for particular programs. Accordingly, such grants are considered exchange transactions and are recorded as unrestricted income to the extent that related expenses are incurred in compliance with the criteria stipulated in the grant agreements.

##### Contributed services and materials -

Contributed services and materials consist of legal services and other in-kind gifts. Contributed services and materials are recorded at their fair market value as of the date of the gift.

## SEARCH FOR COMMON GROUND

### NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2013

#### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION (Continued)

Use of estimates -

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Functional allocation of expenses -

The costs of providing the various programs and other activities have been summarized on a functional basis in the Statement of Activities and Change in Net Assets.

#### 2. CAPITAL LEASE OBLIGATION

In 2012, SFCG entered into a capital lease obligation for a copier, which expires in 2015. As of December 31, 2013, the cost and related accumulated amortization of the leased asset were \$60,000 and \$40,000, respectively.

Future minimum lease payments at December 31, 2013 are as follows:

<u>Year Ending December 31,</u>	
2014	\$ 21,494
2015	<u>1,754</u>
	23,248
Less: Interest	<u>(1,258)</u>
	21,990
Less: Current portion	<u>(20,277)</u>
<b>LONG-TERM PORTION</b>	<b>\$ <u>1,713</u></b>

Total interest expense for the year ended December 31, 2013 was \$1,277.

#### 3. TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets consisted of the following at December 31, 2013:

Africa Programs	\$ 19,524,255
Asia Programs	3,739,416
MENA Programs	2,839,920
Global Programs	6,251,221
Time	<u>2,999</u>
	<b>\$ <u>32,357,811</u></b>

**SEARCH FOR COMMON GROUND**

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2013**

**3. TEMPORARILY RESTRICTED NET ASSETS (Continued)**

The following temporarily restricted net assets were released from donor restrictions by incurring expenses (or through the passage of time), which satisfied the restricted purposes specified by the donors:

Africa Programs	\$ 15,667,841
Asia Programs	3,311,305
MENA Programs	4,328,835
Global Programs	<u>2,082,952</u>
	<b><u>\$ 25,390,933</u></b>

**4. LINE OF CREDIT**

The original terms of the \$2,000,000 loan stated that SFCG could borrow, repay, and re-borrow until July 31, 2009, and that the note could be renewed annually. On February 11, 2014, SFCG amended the note, which extends the borrowing period through January 31, 2015 and increased the loan amount to \$4,000,000. The rate of interest is equal to the LIBOR index plus 2.00% per annum. As of December 31, 2013, outstanding borrowings aggregated \$1,055,000. During the year ended December 31, 2013, SFCG incurred interest expense totaling \$26,374. The note payable is collateralized by grants and contracts receivable. The loan agreement requires compliance with certain financial loan covenants, which have not been met.

**5. LEASE COMMITMENTS**

On November 13, 2002, SFCG entered into a five-year, non-cancelable operating lease for general office space. The lease agreement commenced on April 1, 2003 and was renewed on March 31, 2009 for seven more years.

Rent payments are subject to a yearly increase based on the Consumer Price Index or 5%, whichever is greater, and all other lease terms and conditions remain the same. SFCG leases offices and guest houses in several foreign countries under short-term lease agreements.

During the year ended December 31, 2010, SFCG entered into a six-year lease for additional office space, commencing on May 1, 2010.

SFCG entered into an agreement to sublease a portion of its office space, with terms commencing on May 15, 2010 and continuing through May 30, 2013. On May 16, 2013, the office lease was renegotiated to eliminate the space leased to subtenants (reverting back that portion of space to the landlord) and extending the terms for an additional two years, ending May 31, 2018.

The following is a schedule of the future minimum lease payments and rental income:

**Year Ending December 31,**

2014	\$ 455,546
2015	478,324
2016	502,240
2017	527,352
2018	<u>224,178</u>
	<b><u>\$ 2,187,640</u></b>

## SEARCH FOR COMMON GROUND

### NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2013

#### 5. LEASE COMMITMENTS (Continued)

Rental expense, including short-term lease agreements for overseas offices and housing, amounted to \$1,193,001 for the year ended December 31, 2013.

#### 6. RETIREMENT PLAN

Effective January 1, 1998, SFCG adopted a 403(b) elective deferral contribution plan. The 403(b) plan provides retirement benefits to participating employees who meet the minimum age and services requirements. Employer plan contributions are made at the discretion of management. Contributions to the plan during the year ended December 31, 2013 totaled \$68,200.

#### 7. CONCENTRATION OF CREDIT RISK

A substantial portion of SFCG's grant receivable is due from various governments. These governments reserve the right to terminate or suspend their grants should they determine that such assistance is not in their best interest.

#### 8. CONTINGENCY

The grants SFCG receives from the United States Government are subject to audit under the provisions of OMB Circular A-133. The ultimate determination of amounts received under the Federal grants is based upon the allowance of costs reported to and accepted by the U.S. Government as a result of the audits. Audits in accordance with the provisions of OMB Circular A-133 have been completed for all required fiscal years through 2013. Until such audits have been accepted by the U.S. Government, there exists a contingency to refund an amount received in excess of allowable costs. Management is of the opinion that no material liability will result from such audits.

In addition, the United States Agency for International Development (USAID) approves indirect cost rates annually. The rates have been finalized for SFCG December 31, 2012. Based on calculations for the year ended 2013, those rates may be much lower than the approved provisional rates used in previous years. Accordingly, SFCG has recorded a refundable advance totaling \$759,897 for programs that have ended where the indirect rate charged to Federal donors were overbilled based on using a higher rate. That amount is shown as a non-operating reduction in temporarily restricted net assets on the Statement of Activities and Change in Net Assets.

#### 9. RELATED PARTY

Search for Common Ground Belgium has overlapping Board of Directors and common management. Additionally, SFCG provides various administrative services to Search for Common Ground Belgium. As of December 31, 2013, the amount due to SFCG totaled \$810,871.

#### 10. SUBSEQUENT EVENTS

In preparing these financial statements, SFCG has evaluated events and transactions for potential recognition or disclosure through September 29, 2014, the date the financial statements were issued.

## SEARCH FOR COMMON GROUND

### NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2013

#### 10. SUBSEQUENT EVENTS (Continued)

In 2014, Non-profit organizations Search for Common Ground and Soliya have agreed in principle to combine all operations and programs under Search for Common Ground. Following initiation of a mutual due diligence process, in December 2013, the Soliya Board and the Executive Committee of the Search for Common Ground Board each approved a Term Sheet outlining their intention to combine the two organizations and the main elements of their planned integration. This intention was subsequently publicly announced via press release on February 5, 2014. Over the past six months, leadership from both Boards and staff executive teams engaged in negotiations on the legal method of combining the two and on planning for the integration at Board, management, financial, administrative, and programmatic levels. An Integration Oversight Committee was established consisting of members of both staff executive teams. A legal Asset Transfer and Affiliation Agreement (ATAA) was drafted and refined by the counsels of both organizations and is currently in the final stages of preparation. As of the report date, legal counsels of both organizations are working together to finalize the agreement. After the agreement is finalized the perspective Board members will approve the ATAA and then it will be submitted to the New York Attorney General's (NYAG) office (the authorizing body for this transaction) for approval. Approval by the NYAG will mean that Search for Common Ground will become the sole member of Soliya, after which the transfer of Soliya's assets to Search for Common Ground will be completed.

## **SUPPLEMENTAL INFORMATION**



## SEARCH FOR COMMON GROUND

SCHEDULE OF EXPENDITURES OF NON-U.S. GOVERNMENTAL GRANTS  
FOR THE YEAR ENDED DECEMBER 31, 2013

Granting Agency	Award or Contract Number	Program Title	Total Expenditures 2013
Amnesty International	N/A	Mobile Cinema Phase II, Human Rights education using film to combat sexual violence in the DRC (North and South Kivu)	\$ 119,067
ANAMIF	N/A	Search for Common Ground	52,304
AngloGold Ashanti	N/A	Search for Common Ground	7,500
Arsenault Family Foundation	N/A	Zanzibar: Empowering Women Parliamentarians Project	(43)
Australian Government	59873	The Team: TV Series and Outreach	12,814
Australian Government	61755	Better Together: Promoting Reconciliation and Gender Equality in Cote d'Ivoire	50,751
Austrian Government	65259	Search for Common Ground	20,504
Bahrain Foundation for Reconciliation and Civil Discourse	N/a	Workshops for Bahraini Youth	9,943
Barrick Gold	ABG/21/66	Barrick Gold	213
Barrick Gold	PO# 1468	Tanzania	202,445
Barrick Gold	ABG/21/66	Sustainable Business Practice	426,290
British Foreign Commonwealth Office	N/A	Dona Manuela a Kandongueira Radio Shows	10,568
British Foreign Commonwealth Office	N/A	Civic Education Comic Books	3,647
British Foreign Commonwealth Office	N/A	The Team: TV and Cricket Radio Drama to Reduce Extremism and Promote Moderation in Pakistan	26
British Foreign Commonwealth Office	N/A	Mock Tunisian Local and National Government Program	172,805
British Foreign Commonwealth Office	N/A	Strengthening Capacity to Prevent Violent Religious Extremism	112,931
British Foreign Commonwealth Office	N/A	Young Men and Women as Pillars of Democracy	61,043
British Foreign Commonwealth Office	N/A	Radio Talkshows for Conflict Resolutions	102,903
British Foreign Commonwealth Office	N/A	Seja Homen - An Initiative to Promote Positive Male Role Models in the Prevention of Sexual Violence	43,317
British Foreign Commonwealth Office	N/A	Police Youth Partnership Project	34,761
British Foreign Commonwealth Office	N/A	Promoting Solution Oriented Dialogue for Conflict Resolution	116,082
British Foreign Commonwealth Office	N/A	Search for Common Ground: The Team: Pakistan TV	16,070
British Foreign Commonwealth Office	N/A	Common Ground Dialogue	157,447
British Petroleum	N/A	Parlamento Escolar	45,085
Burundi Unrestricted Earnings	N/A	Burundi Unrestricted Earnings	14,238
Canadian Foreign Affairs	FCIL-212-DAKAR-Conakry-4	Appui a une communication institutionnelle fluide et dynamique en periode electorale	44,332
Canadian Foreign Affairs	N/A	Eastern Voices: Building the capacity of Trincomalee media actors to be human rights defenders	34,121
Canadian Foreign Affairs	GPSF 10-097	Equip the Police National Congolese with Multimedia Training Tools	(530)
CARE	40051652	Measuring for Impact in Conflict, Crime and Violence	22,039

**SEARCH FOR COMMON GROUND**

**SCHEDULE OF EXPENDITURES OF NON-U.S. GOVERNMENTAL GRANTS  
FOR THE YEAR ENDED DECEMBER 31, 2013**

<b>Granting Agency</b>	<b>Award or Contract Number</b>	<b>Program Title</b>	<b>Total Expenditures 2013</b>
CARE	N/A	Measuring for Impact in Conflict, Crime and Violence	\$ 25,488
Carnegie Corporation of New York	bd 1216.R1	Peacebuilding Evaluation Consortium	13,180
Christian Aid	WS423	Popular Education on Land Rights with Specific Reference to Land Grabbing by Agribusiness	29,166
Coexist Foundation	N/A	Partners in Humanity	(43)
Compton Foundation	N/A	Connecting and Empowering Youth for Global Leadership	(7)
Church of Norway	N/A	Church of Norway Rent	430
Concern Worldwide	N/A	Search for Common Ground	(4)
Cordaid	N/A	Social Transform, With Youth as Partners for Positive Change	108,080
Denmark Government	14.Libanon.1.MRD.7	Different but Equal in Lebanons Public Schools	2,500
Denmark Government	1522	Peacebuilding Initiative: Connecting Leaders to Support the Peace Process in Nepal	242,896
Denmark Government	14.Pak.16.4	Promotion of Dialogue for Peace-building through Media and Youth Mobilization in Pakistan	552,035
Denmark Government	46.H.1-6-0-4-28	Towards a Peaceful Political Settlement	2,101
Deutsche Bank	N/A	Nexus Global Youth Summit 2013	14,624
Development Alternatives Inc	N/A	Sensibilser la population civile sur lavenement de la police de proximite et renforcer la collaboration.	(55)
Development Alternatives Inc	DAI/SSAPR6	Sensibilser la population civile sur le role de la police de proximite et celui de la population civ	157,089
Development Alternatives Inc	APR-213-2	Access to Security and Justice Programme - CPESJ Survey	35,237
DFID	43813	Promoting Tolerance, Participation and Solidarity Whilst Ensuring Protection of Women Against Violence	2,965
DFID	N/A	GTF - Football Based Media to Strengthen Good	(11,293)
DFID	N/A	The Team	672,197
DFID	PO 5517	Support for the Electoral Cycle in Sierra Leone	3,144
Dutch Government	TUN/MZ/1/212	Contrat concernant le programme des sessions Mock du gouvernement local au gouvernorat de Bizerte	19,002
Dutch Government		Strengthening Citizen Participation on Critical Social Issues to Prevent Conflict: Palestinian Territories and the Great Lakes of Africa	285,187
Dutch Government	211/PKP ODA 212 SFCG B	Supporting Democracy in Angola promotion of Civil Society Advancement in Angola	417
Dutch Government	2349	Search for Common Ground	(28)
Dutch Government	BEI 11979	Different but Equal in Lebanons Public Schools: Building a Culture of Human Rights in the Leaders of Tomorrow	67
Dutch Government	24129	SFCG Syrian Inter Confessional Dialogue	55,902
Dutch Government	N/A	Supporting Womens Participation and Effective Leadership in Democratic Institutions in a Pre Election	120,551
Dutch Government	23989	Police that Protect	177,699

**SEARCH FOR COMMON GROUND**

**SCHEDULE OF EXPENDITURES OF NON-U.S. GOVERNMENTAL GRANTS  
FOR THE YEAR ENDED DECEMBER 31, 2013**

<b>Granting Agency</b>	<b>Award or Contract Number</b>	<b>Program Title</b>	<b>Total Expenditures 2013</b>
Dutch Government	24348	Strengthening Citizen Participation on Critical Social Issues to Prevent Conflict: Palestinian Territories and the Great Lakes of Africa	\$ 412,898
Dutch Government	2559/SAA117586	The Team, Promoting Citizenship and Social Coherence and Gender Equality	11,339
Dutch Government	N/A	SFCG - Rise of the Phoenix - Video Game for Peace	293,685
Dutch Government	N/A	Extension of Search for Common Ground in DRC	13
Dutch Government	N/A	Strengthening Citizen Participation on Critical Social Issues to Prevent Conflict: Palestinian Territories and the Great Lakes of Africa	1,355,560
EFA	14/EFA/13	Search for Common Ground	17,016
El-Hibri Foundation	N/A	Reframing the Conversation Regarding Muslims in America	82,649
El-Hibri Foundation	N/A	Search for Common Ground	14,699
European Commission	EIDHR/2011/270-011	Renforcer la place des jeunes dans le debat democratique en Tunisie a travers les medias	704
FCO	N/A	Expanding the Palestinian-Israeli Leaders Network - Religious Leaders	175
Finland Government	N/A	SFCG Radio as a Platform for Peacebuilding: 2010-2012	268,211
Finland Government	N/A	Radio for Peacebuilding - subgrant of XGP038	24,730
Finland Government	N/A	Radio for Peacebuilding Africa - subgrant for XGP038	20,681
Finland Government	N/A	Radio for Peacebuilding Africa - subgrant of XGP038	1,942
Finland Government	N/A	Radio for Peacebuilding Africa - subgrant of XGP038	82,012
French Cooperation	N/A	Medias pour la democratie et la transparence in DRC	(35)
Germans IFA	11.2172.2-1.	Assessing youths perspective on their role in infrastructure maintenance as a paradigm for peace building	3,250
Guerrand-Hermes Foundation	N/A	Religious Leaders Project	5,547
Haas Fund	211-389	To promote consensus on federal recognition of gay relationships among conservative, moderate and progressive.	16,396
Henry Luce Foundation	N/A	Reframe the Public Conversation in the U.S. about Islam and Muslims	64,688
Hivos	RO SAF at HO 1006891	Cultivating Youth Leadership for Non-Violence in Zimbabwe	98,767
Howard Buffet Foundation	N/A	Replacing Violence by Ideas: Engaging Key Stakeholders for Peaceful, Constructive Change in the Territory of Masis	26,315
Howard Buffet Foundation	N/A	Subgrant of RWA014	24,755
Howard Buffet Foundation	N/A	Promoting Peaceful Cross-Border Trade in the Democratic Republic of the Congo and Rwanda	20,094
Hunt Alternatives	N/A	Search for Common Ground	3
IFES	S-11-060	DRC Voters Opinion and Involvement through Civic Education Program	491
Innovations for Poverty Action	55154145	Search for Common Ground	3,306

**SEARCH FOR COMMON GROUND**

**SCHEDULE OF EXPENDITURES OF NON-U.S. GOVERNMENTAL GRANTS  
FOR THE YEAR ENDED DECEMBER 31, 2013**

<b>Granting Agency</b>	<b>Award or Contract Number</b>	<b>Program Title</b>	<b>Total Expenditures 2013</b>
International Fellowship of Reconciliation	N/A	GSANV Training for Youth: Learning Through Role Models	\$ 1,235
International Rescue Committee	N/A	Search for Common Ground	482
International Rescue Committee	AG4765	Tuungane Community Driven Reconstruction Programme	489,816
IOM	454197	General Training and Development	4,198
IOM	DP 619	Search for Common Ground	(6)
IOM	N/A	Consortium Coordination	1,991
IOM	N/A	Implementation of workshop on Local Reconciliation in Kilinochchi	48
IOM	FC.0086	Dialogue on Reconciliation	50,302
Jerusalem - Donations and Miscellaneous	N/A	Jerusalem General Operations	18,498
Jerusalem Unrestricted Expenses	N/A	Jerusalem Unrestricted Expenses	49,897
Kellogg	N/A	Faith and Politics Institute - subgrant of USA041	50,000
Kellogg	N/A	Remainder of USA019	13,257
Kellogg	N/A	Racial Healing	16,100
Kellogg	P323397	Search for Common Ground	69,707
La Societe Al Omrane	N/A	Accompagnement Social Des Menages due Bidonville	1,115
Lebanon Unrestricted Earnings	N/A	Lebanon Unrestricted Earnings	7,862
Lebanon Unrestricted Expenses	N/A	Lebanon Unrestricted Expenses	28,628
MacArthur Foundation	12-11373--INP	CGP General Support	30,422
MacArthur Foundation	1-95825--GSS	In Support of General Operations	582
MOF	NSA 36	Media and Public Financial Management Reform Processes	41,218
NED	213-337	To Support a Civil Society-Led Dialogue Process on Solutions to the Malian Crisis	13,067
NED	N/A	Voices of Youth for Democratic Change	148,467
New Zealand Embassy	N/A	Reducing Recidivism: A Process for Effective Disengagement of High-Risk Prisoners in Indonesia	57,641
New Zealand Embassy	N/A	Media for Peacebuilding in Maluku	110
New Zealand Embassy	N/A	Disengagement Programming for High-Risk Prisoners in Indonesian Prisons	25
Nike Foundation	N/A	Master Services Agreement	3,815
Nike Foundation	N/A	Master Services Agreement	(12)
Nike Foundation	2047	Search for Common Ground Rwanda	152,766
Norwegian Foreign Ministry	MAR-12/2	Alternative Dispute Resolution and Mediation in Morocco	69,456
Norwegian Foreign Ministry	11/15648 and NAF-11/3	Back channel process, Western Sahara	134,464
Norwegian Foreign Ministry	N/A	Empowering Women and Increasing Access to Justice in Timor Leste	180,798

**SEARCH FOR COMMON GROUND**

**SCHEDULE OF EXPENDITURES OF NON-U.S. GOVERNMENTAL GRANTS  
FOR THE YEAR ENDED DECEMBER 31, 2013**

<b>Granting Agency</b>	<b>Award or Contract Number</b>	<b>Program Title</b>	<b>Total Expenditures 2013</b>
Norwegian Foreign Ministry	MEU-12/0037	Search for Common Ground	\$ 99,891
Norwegian Foreign Ministry	N/A	A Universal Code on Holy Sites	11,340
NTI = Nuclear Threat Initiative	N/A	Workshops	82,744
NTI = Nuclear Threat Initiative	2102	Middle East Consortium on Infectious Disease Surveillance (MECIDS) Secretariat Support	67,609
NTI = Nuclear Threat Initiative	2112	MECIDS Secretariate Support	37,568
One World Dialogue	N/A	A Universal Code on Holy Sites Phase II	77,600
One World Dialogue	N/A	A Universal Code on Holy Sites Phase III	8
Open Road Alliance	N/A	Open Road Alliance	36,417
Open Society Initiative	2522	Equitable Land Rights Promotion in Three Districts in Sierra Leone	48,964
Oxfam	DCRB42	Radio Messaging for Cholera Response	14
PACT	GE-039	Stronger Together: A non-Violence Multi-Media Campaign in Zimbabwe	170,789
Rational Games	N/A	Search for Common Ground On-Line Board Game in Lebanon - Pilot Program	12,167
Right to Play	N/A	Search for Common Ground	4,000
Rockefeller Brothers Foundation	11-369	Iran Project	1,323
Rockerfeller Brothers Foundation	N/A	Iran Work	14,276
Rockwood	N/A	The Team, Lebanon	12,777
Save the Children	N/A	Delivering Information on Free Heathcare Initiative	19
SIDA	N/A	Strengthening Peace and Security in Conflict and Post-Conflict Countries in Africa: Regional Approaches to the Great Lakes and West Africa	322,638
SIDA	52959	Strengthening the Capacity of CSO to Promote Sustainable Governance in Liberia 2012-2015	766,917
Sierra Leone Unrestricted Expenses		Sierra Leone Unrestricted Expenses	12,531
Skoll Foundation	28518	General Support of Search for Common Ground	(31)
Skoll Foundation	32289	Search for Common Ground	39,615
Stichting Vluchteling	DRC-12.2	Droit pour Tous	224,460
Swiss Agency for Development	N/A	Breaking Down Stereotypes and Empowering Youth Migrants and Non-Migrants Through Media	37
Swiss Department of Foreign Affairs	821628	Track II Work with Iran	106,967
Swiss Department of Foreign Affairs	K.234.32-LOS, SAP 534392	Track II Work with Iran and Syria	101
Swiss Department of Foreign Affairs	K.234.32-LOS, SAP 534392	Track II Work with Iran and Syria	(110)
Tides Foundation	N/A	SPACE Project	20,194
Trade Mark	N/A	Supporting Trading for Peace in Burundi	(5)
Trade Mark	N/A	Supporting Cross-Border Trade Between Burundi and its Neighbors	13,816

**SEARCH FOR COMMON GROUND**

**SCHEDULE OF EXPENDITURES OF NON-U.S. GOVERNMENTAL GRANTS  
FOR THE YEAR ENDED DECEMBER 31, 2013**

<b>Granting Agency</b>	<b>Award or Contract Number</b>	<b>Program Title</b>	<b>Total Expenditures 2013</b>
Tunisia Unrestricted Expenses	N/A	Tunisia Unrestricted Expenses	\$ 2,458
UN Population Fund	N/A	Search for Common Ground	30,874
UN Women	PCA-NPL-213-6	Search for Common Ground	16,815
UN Women	8299	Strengthening Implementation of Women, Peace and Security in Nepal: Inception Phase	64,141
UNA	N/A	Bureau des Nations Unies au Burundi	10,023
UNDEF	N/A	Nawe Arashoboye!: Supporting the Role of Women Leaders	11,842
UNDEF	UDF-SUD-1-366	Supporting the Role of Women Leaders in Sudan and South Sudan in Post-separation Period	49,087
UNDP	APRC 7/213	Marginalized Populations on the Post 2015 Development Agenda	71,329
UNDP	N/A	Search for Common Ground	382
UNDP	212-88	Search for Common Ground	99,475
UNDP	512-13	Search for Common Ground	299,382
UNDP	73812	Renforcement des capacites nationales pour le consolidation de la paix et de la gouvernance democrat	48,830
UNDP	DRC-12/NKV/PRO/2/SFCG/621	Integration de la composante sensibilite aux conflits et transformation des conflits dans les interv	388,649
UNDP	N/A	Project dappui au Retablissement de la Securite, de l'Autorite de letat et de la Cohesion Sociale	9
UNDP	MOU/414/211	Search for Common Ground (SFCG)	(10)
UNDP	N/A	Search for Common Ground	407
UNDP	PISU/PROF/2/211	Developing a Media Strategy	1,324
UNDP	N/A	Search for Common Ground	7,428
UNDP	77588	Support to the Electoral Cycle in Sierra Leone	1,024
UNDP	N/A	Search for Common Ground	257,210
UNDP	UNDP/LR/2/Gbarnga Training 213	Provision of Training of NGOs/CBOs/CSOs on Comprehensive Awareness of Services Provided by the Gbarnga	82,826
UNDP	DRC-12/NKV/PRO/2/SFCG/562	DR Congo Pooled Fund	347,073
UNDP	DRC-13/SKV/PRO/2/SFCG/0677	Integration de la composante sensibleite aux conflits et transformation des conflits dans les interventions du Pooled Fund au Sud-Kivu	143,593
UNDP	N/A	UNDP follow up to GUI016	(196)
UNDP	N/A	Search for Common Ground	49,112
UNESCO	45217855	Search for Common Ground	11,665
UNHABITAT	N/A	Prevention et al resolution des conflits fonciers dans le territoire de Djugu, district de Ituri	16,204
UNHCR	358	Repatriement des congolais en Equateur	315,152

**SEARCH FOR COMMON GROUND**

**SCHEDULE OF EXPENDITURES OF NON-U.S. GOVERNMENTAL GRANTS  
FOR THE YEAR ENDED DECEMBER 31, 2013**

<b>Granting Agency</b>	<b>Award or Contract Number</b>	<b>Program Title</b>	<b>Total Expenditures 2013</b>
UNHCR	384	Coexistence pacifique entre les communautes/zones de retour and sensibilisat.clause cessation Cls RW	\$ 132,051
UNHCR	383	Retour en paix, cohabitation pacifique	240,711
UNHCR	N/A	Retour en Paix et Combat Contre Les Violences Sexuels en Faveur de Personnes Deplacees aud Nord	3,296
UNHCR	35	Projet sur la co-existence pacifique et la resolution pacifique des conflits	131
UNHCR	KIN/PG/16/212	Monitoring de Protection	74
UNICEF	N/A	Appui a la Promotion dun Dialogue Inclusif et Durable en Guinee - Southien aux Jeunes	55,954
UNICEF	N/A	Search for Common Ground	42,107
UNICEF	N/A	Search for Common Ground	322,128
UNICEF	LBRA/PCA/211	Search for Common Ground	(3)
UNICEF	N/A	Capacity Building in Youth and Peacebuilding	5,481
UNICEF	PCA/Liberia/213/3	Promoting Childrens Participation and Desirable Behaviour Change through Community Radio Partnership	69,419
UNICEF	N/A	Search for Common Ground	22,460
UNICEF	N/A	Search for Common Ground	292,943
UNICEF	N/A	Campagne dinforamtion et sensibilisation sur le Cholera	(2)
UNICEF	LBRA/PCA/211	Search for Common Ground	(3)
UNICEF	N/A	Search for Common Ground (SFCG) Nepal	1,263
UNICEF	N/A	Search for Common Ground	392
UNICEF	N/A	Hygiene Promotion in Port Loko, Pujehun, Kambia, Kenema and Moyamba Districts	697
UNICEF	N/A	Search for Common Ground	220,149
UNICEF	N/A	Search for Common Ground	1,781
UNICEF	N/A	Dappui a la responsabilite sociale des jeunes pour la consolidation de al paix en Republic de Guinee	14,919
UNICEF	100072052	Search for Common Ground (PBEA-UNICEF-ILT)	37,973
University of Manchester	N/A	Humanitarianism 2.0	3,014
Women Donor Network	N/A	Women Donor Network	15,772
World Bank	7157827	Search for common Ground	330
World Bank	1371321	Radio Activity	19,851
World Bank	TF95127	Strengthening Communication and Transparency for Governance Reform in Cote dlvoire	425,829
World Bank	1/UGP-EDR/6/13	Mission Specialisee en Communication Audio-Visuelle du Projet Enfants Dits del la Rue	115,509
Various donors	N/A	N/A	2,377,638
Other Department expenses	N/A	N/A	267,465
<b>TOTAL</b>			<b><u>\$ 18,087,113</u></b>