

**FINANCIAL INFORMATION**



**SEARCH FOR COMMON GROUND AND  
SEARCH FOR COMMON GROUND BELGIUM**

**FOR THE YEAR ENDED DECEMBER 31, 2018**

**SEARCH FOR COMMON GROUND AND  
SEARCH FOR COMMON GROUND BELGIUM**

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**CPAs & ADVISORS**

**INDEPENDENT ACCOUNTANT'S COMPILATION REPORT**

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

Management is responsible for the accompanying combined financial statements of the Search for Common Ground and Search for Common Ground Belgium, collectively SFCG, which comprise the combined statement of financial position as of December 31, 2018, and the related combined statements of activities and change in net assets, combined functional expenses and combined cash flows for the year then ended.

We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

Management has elected to omit substantially all of the disclosures required by accounting principles generally accepted in the United States of America. If the omitted disclosures were included in the combined financial statements, they might influence the user's conclusions about SFCG's financial position, results of operations, and cash flows. Accordingly, the combined financial statements are not designed for those who are not informed about such matters.

*Gelman Rosenberg & Freedman*

February 6, 2020

4550 MONTGOMERY AVENUE • SUITE 800 NORTH • BETHESDA, MARYLAND 20814  
(301) 951-9090 • WWW.GRFCPA.COM

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MEMBER OF CPAMERICA INTERNATIONAL, AN AFFILIATE OF CROWE GLOBAL  
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**SEARCH FOR COMMON GROUND AND  
SEARCH FOR COMMON GROUND BELGIUM**

**COMBINED STATEMENT OF FINANCIAL POSITION  
AS OF DECEMBER 31, 2018**

	<b>ASSETS</b>		
	<b>SFCG US</b>	<b>SFCG BELGIUM</b>	<b>COMBINED</b>
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	\$ 7,186,205	\$ 7,397,697	\$ 14,583,902
Grants and contracts receivable	30,704,499	37,628,733	68,333,232
Advances and other receivables	144,891	-	144,891
Loan receivable	100,000	-	100,000
Prepaid expenses and other current assets	304,388	5,053	309,441
Total current assets	<u>38,439,983</u>	<u>45,031,483</u>	<u>83,471,466</u>
<b>FIXED ASSETS</b>			
Furniture and fixtures	224,858	227,820	452,678
Office equipment	145,475	302,459	447,934
Software and computer equipment	1,361,220	57,379	1,418,599
Vehicles	35,785	-	35,785
	1,767,338	587,658	2,354,996
Less: Accumulated depreciation and amortization	<u>(1,676,998)</u>	<u>(131,491)</u>	<u>(1,808,489)</u>
Net fixed assets	<u>90,340</u>	<u>456,167</u>	<u>546,507</u>
<b>OTHER ASSETS</b>			
Deposit	124,974	2,859	127,833
Loan receivable, net of current portion	100,000	-	100,000
Total other assets	<u>224,974</u>	<u>2,859</u>	<u>227,833</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 38,755,297</u></b>	<b><u>\$ 45,490,509</u></b>	<b><u>\$ 84,245,806</u></b>
<b>LIABILITIES AND NET ASSETS</b>			
<b>CURRENT LIABILITIES</b>			
Promissory note	\$ 524,310	\$ -	\$ 524,310
Accounts payable	438,008	15,362	453,370
Other accrued expenses	1,752,087	1,041,830	2,793,917
Donor advances	-	124,655	124,655
Refundable advance	196,896	1,169,150	1,366,046
Provision for loss	505,111	-	505,111
Due to SFCG Affiliate	719,112	(719,112)	-
Total liabilities	<u>4,135,524</u>	<u>1,631,885</u>	<u>5,767,409</u>
<b>NET ASSETS</b>			
Without donor restrictions:			
Undesignated	5,485,431	886,010	6,371,441
Investment in Capital	-	447,422	447,422
Provision	-	17,188	17,188
Total net assets without donor restrictions	<u>5,485,431</u>	<u>1,350,620</u>	<u>6,836,051</u>
With donor restrictions	<u>29,134,342</u>	<u>42,508,004</u>	<u>71,642,346</u>
Total net assets	<u>34,619,773</u>	<u>43,858,624</u>	<u>78,478,397</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b><u>\$ 38,755,297</u></b>	<b><u>\$ 45,490,509</u></b>	<b><u>\$ 84,245,806</u></b>

See independent accountant's compilation report.

**SEARCH FOR COMMON GROUND AND  
SEARCH FOR COMMON GROUND BELGIUM**

**COMBINED STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS  
FOR THE YEAR ENDED DECEMBER 31, 2018**

	SFCG US	SFCG US	SFCG US
	Without Donor Restrictions	With Donor Restrictions	TOTAL
<b>SUPPORT AND REVENUE</b>			
Grant and contract revenue	\$ -	\$ 23,529,043	\$ 23,529,043
Contributions	1,433,428	-	1,433,428
Other revenue	20,522	-	20,522
Interest	1,627	-	1,627
Rental income	81,080	-	81,080
Net assets released from donor restrictions	18,999,947	(18,999,947)	-
Total support and revenue	20,536,604	4,529,096	25,065,700
<b>EXPENSES</b>			
Program Services	15,024,532	-	15,024,532
Management and General	7,986,344	-	7,986,344
Fundraising	459,442	-	459,442
Total expenses	23,470,318	-	23,470,318
Change in net assets before other items	(2,933,714)	4,529,096	1,595,382
<b>OTHER ITEMS</b>			
Forgiveness of debt	4,800,000	-	4,800,000
De-obligation of funds	-	(1,335,042)	(1,335,042)
Exchange gain (loss)	(461,047)	-	(461,047)
Allocation of services	3,719,854	-	3,719,854
Intercompany awards	(2,789,891)	-	(2,789,891)
Change in net assets	2,335,202	3,194,054	5,529,256
Net assets at beginning of year	3,150,229	25,940,288	29,090,517
<b>NET ASSETS AT END OF YEAR</b>	<b>\$ 5,485,431</b>	<b>\$ 29,134,342</b>	<b>\$ 34,619,773</b>

**SEARCH FOR COMMON GROUND AND  
SEARCH FOR COMMON GROUND BELGIUM**

**COMBINED STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS  
FOR THE YEAR ENDED DECEMBER 31, 2018**

	<b>SFCG BELGIUM</b>	<b>SFCG BELGIUM</b>	<b>SFCG BELGIUM</b>
	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>TOTAL</b>
<b>SUPPORT AND REVENUE</b>			
Grant and contract revenue	\$ -	\$ 38,226,166	\$ 38,226,166
Contributions	-	-	-
Other revenue	443,909	-	443,909
Interest	-	-	-
Rental income	-	-	-
Net assets released from donor restrictions	33,822,271	(33,822,271)	-
Total support and revenue	34,266,180	4,403,895	38,670,075
<b>EXPENSES</b>			
Program Services	23,252,334	-	23,252,334
Management and General	6,989,138	-	6,989,138
Fundraising	-	-	-
Total expenses	30,241,472	-	30,241,472
Change in net assets before other items	4,024,708	4,403,895	8,428,603
<b>OTHER ITEMS</b>			
Forgiveness of debt	-	-	-
De-obligation of funds	-	-	-
Exchange gain (loss)	272,671	-	272,671
Allocation of services	(3,719,854)	-	(3,719,854)
Intercompany awards	-	2,789,891	2,789,891
Change in net assets	577,525	7,193,786	7,771,311
Net assets at beginning of year	773,095	35,314,218	36,087,313
<b>NET ASSETS AT END OF YEAR</b>	<b>\$ 1,350,620</b>	<b>\$ 42,508,004</b>	<b>\$ 43,858,624</b>

**SEARCH FOR COMMON GROUND AND  
SEARCH FOR COMMON GROUND BELGIUM**

**COMBINED STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS  
FOR THE YEAR ENDED DECEMBER 31, 2018**

	<b>SFCG COMBINED</b>	<b>SFCG COMBINED</b>	<b>SFCG COMBINED</b>
	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>TOTAL</b>
<b>SUPPORT AND REVENUE</b>			
Grant and contract revenue	\$ -	\$ 61,755,209	\$ 61,755,209
Contributions	1,433,428	-	1,433,428
Other revenue	464,431	-	464,431
Interest	1,627	-	1,627
Rental income	81,080	-	81,080
Net assets released from donor restrictions	52,822,218	(52,822,218)	-
Total support and revenue	54,802,784	8,932,991	63,735,775
<b>EXPENSES</b>			
Program Services	38,276,866	-	38,276,866
Management and General	14,975,482	-	14,975,482
Fundraising	459,442	-	459,442
Total expenses	53,711,790	-	53,711,790
Change in net assets before other items	1,090,994	8,932,991	10,023,985
<b>OTHER ITEMS</b>			
Forgiveness of debt	4,800,000	-	4,800,000
De-obligation of funds	-	(1,335,042)	(1,335,042)
Exchange gain (loss)	(188,376)	-	(188,376)
Allocation of services	-	-	-
Intercompany awards	(2,789,891)	2,789,891	-
Change in net assets	2,912,727	10,387,840	13,300,567
Net assets at beginning of year	3,923,324	61,254,506	65,177,830
<b>NET ASSETS AT END OF YEAR</b>	<b>\$ 6,836,051</b>	<b>\$ 71,642,346</b>	<b>\$ 78,478,397</b>

**SEARCH FOR COMMON GROUND AND  
SEARCH FOR COMMON GROUND BELGIUM**

**COMBINED STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2018**

	Program Services				
	US - Africa Programs	Belgium - Africa Programs	US - Asia Programs	Belgium - Asia Programs	US - MENA Programs
Salaries and benefits	\$ 3,866,238	\$ 2,787,700	\$ 652,865	\$ 762,466	\$ 1,177,852
Consultants and professional services	214,621	454,473	40,311	164,227	262,586
Pass-throughs and subgrants	1,452,906	2,165,862	271,302	1,291,902	236,954
Equipment	57,896	151,021	16,009	24,855	15,289
Travel	558,446	908,931	84,135	150,619	435,755
TV, video and radio production	384,530	1,116,536	112	58,904	9,541
Education and seminar	843,498	1,345,393	49,503	208,982	74,165
Professional legal services	31,509	20,587	370	2,660	2,521
Research and development	156,551	219,587	11,054	172,018	61,185
Program activities	768,713	2,325,987	106,868	158,857	129,926
Rent	268,273	445,991	43,725	80,127	95,432
Office expenses	572,912	832,564	23,442	53,368	54,731
Conferences and meetings	384,678	357,909	123,837	230,672	84,509
Bank charges and other fees	65,929	80,650	6,717	10,812	3,902
Depreciation and amortization	-	-	-	-	-
Other expenses	(906)	3,650	-	-	(11)
Bad debt and provisions	(258)	-	-	-	-
<b>TOTAL</b>	<b>\$ 9,625,536</b>	<b>\$ 13,216,841</b>	<b>\$ 1,430,250</b>	<b>\$ 3,370,469</b>	<b>\$ 2,644,337</b>



Supporting Services							
Belgium - MENA Programs	US - Global Programs	Total Program Services	US - Management and General	Belgium - Management and General	US - Fundraising	Total Supporting Services	Total Expenses
\$ 1,771,751	\$ 803,976	\$ 11,822,848	\$ 4,454,793	\$ 3,117,099	\$ 225,003	\$ 7,796,895	\$ 19,619,743
382,167	219,079	1,737,464	742,044	272,831	11,628	1,026,503	2,763,967
1,660,546	-	7,079,472	-	5,351	-	5,351	7,084,823
88,540	-	353,610	76,146	8,778	1,437	86,361	439,971
972,412	156,036	3,266,334	464,162	275,550	8,853	748,565	4,014,899
4,900	-	1,574,523	-	100,245	-	100,245	1,674,768
222,838	914	2,745,293	14,991	226,466	-	241,457	2,986,750
5,579	-	63,226	150,162	2,541	-	152,703	215,929
75,470	9,631	705,496	251,945	73,351	1,422	326,718	1,032,214
768,165	68,994	4,327,510	101,230	2,212,125	11,345	2,324,700	6,652,210
174,606	650	1,108,804	540,744	5,450	-	546,194	1,654,998
89,113	20,108	1,646,238	275,123	331,545	1,291	607,959	2,254,197
440,852	44,698	1,667,155	357,956	82,250	188,608	628,814	2,295,969
7,548	113	175,671	89,680	33,358	6,771	129,809	305,480
-	-	-	47,170	-	-	47,170	47,170
-	210	2,943	254,143	242,198	3,084	499,425	502,368
537	-	279	166,055	-	-	166,055	166,334
<b>\$ 6,665,024</b>	<b>\$ 1,324,409</b>	<b>\$ 38,276,866</b>	<b>\$ 7,986,344</b>	<b>\$ 6,989,138</b>	<b>\$ 459,442</b>	<b>\$ 15,434,924</b>	<b>\$ 53,711,790</b>

**SEARCH FOR COMMON GROUND AND  
SEARCH FOR COMMON GROUND BELGIUM**

**COMBINED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2018**

	<u>SFCG US</u>	<u>SFCG BELGIUM</u>	<u>COMBINED</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Change in net assets	\$ 5,529,256	\$ 7,771,311	\$ 13,300,567
Adjustments to reconcile change in net assets to net cash (used) provided by operating activities:			
Depreciation and amortization	47,170	-	47,170
Provision for gain	(68,233)	-	(68,233)
Forgiveness of debt	(4,800,000)	-	(4,800,000)
(Increase) decrease in:			
Grants and contracts receivable	(3,368,287)	(3,317,718)	(6,686,005)
Advances and other receivables	259,066	-	259,066
Prepaid expenses and other current assets	45,732	(1,973)	43,759
Deposit	(51,920)	98	(51,822)
(Decrease) increase in:			
Accounts payable	(671,484)	(2,982)	(674,466)
Other accrued expenses	187,177	657,082	844,259
Donor advances	-	(327,136)	(327,136)
Refundable advance	28,301	578,487	606,788
Due to (from) SFCG Affiliate	360,274	(360,274)	-
Deposits	(15,444)	-	(15,444)
	<u>(2,518,392)</u>	<u>4,996,895</u>	<u>2,478,503</u>
Net cash (used) provided by operating activities			
	<u>(2,518,392)</u>	<u>4,996,895</u>	<u>2,478,503</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of fixed assets	<u>(129,510)</u>	<u>(157,470)</u>	<u>(286,980)</u>
Net cash used by investing activities	<u>(129,510)</u>	<u>(157,470)</u>	<u>(286,980)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from promissory note	1,615,428	-	1,615,428
Repayment from promissory note	(1,903,118)	-	(1,903,118)
Loan to related party	<u>(200,000)</u>	<u>-</u>	<u>(200,000)</u>
Net cash used by financing activities	<u>(487,690)</u>	<u>-</u>	<u>(487,690)</u>
Net (decrease) increase in cash and cash equivalents	(3,135,592)	4,839,425	1,703,833
Cash and cash equivalents at beginning of year	<u>10,321,797</u>	<u>2,558,272</u>	<u>12,880,069</u>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<u><b>\$ 7,186,205</b></u>	<u><b>\$ 7,397,697</b></u>	<u><b>\$ 14,583,902</b></u>
<b>SUPPLEMENTAL INFORMATION</b>			
Interest Paid	<u><b>\$ 25,640</b></u>	<u><b>\$ -</b></u>	<u><b>\$ 25,640</b></u>

See independent accountant's compilation report.

**SEARCH FOR COMMON GROUND AND  
SEARCH FOR COMMON GROUND BELGIUM**

**NOTES TO THE COMBINED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2018**

**Notes to the Financial Statements -**

Search for Common Ground (SFCG) is an independent, nonprofit 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.

The Search for Common Ground US financial information included in the compilation report is based on a financial statement audit completed in accordance with accounting principles generally accepted in the United States of America and a report dated August 19, 2019.

The Search for Common Ground Belgium financial information included in the compilation report is based on a statutory audit report dated June 21, 2019.

**Principles of Consolidation -**

The accompanying combined financial statements include the accounts of Search for Common Ground and Search for Common Ground Belgium pursuant to the criterion established by FASB ASC 958-810, Not-for-Profit Entities, and Consolidation. All significant inter-company accounts and transactions have been eliminated in consolidation.