COMMON CAUSE AND AFFILIATE

CONSOLIDATED FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

FOR THE YEAR ENDED JUNE 30, 2022

COMMON CAUSE AND AFFILIATE

CONTENTS

MARCUM
ACCOUNTANTS ▲ ADVISORS

INDEPENDENT AUDITORS' REPORT

To the Board of Trustees of
Common Cause and Affiliate

Opinion

We have audited the consolidated financial statements of Common Cause and Affiliate (the Organization), which comprise the consolidated statement of financial position as of June 30, 2022, and the related consolidated statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Organization as of June 30, 2022, and the changes 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.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

Marcum LLP ▪ 1899 L Street, NW ▪ Suite 850 ▪ Washington, DC 20036 ▪ **Phone** 202.227.4000 ▪ **www.marcumllp.com**

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with GAAS, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit 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 Organization's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying supplementary information is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Marcum LLP

Washington, DC
March 27, 2023

COMMON CAUSE AND AFFILIATE

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

JUNE 30, 2022

Assets	
Cash and cash equivalents	$ 19,924,519
Grant, contribution and bequest receivables	3,018,073
Investments	11,512,137
Prepaid expenses and other assets	507,955
Property and equipment, net	535,447
Total Assets	$ 35,498,131
Liabilities and Net Assets	
Liabilities	
Accounts payable and accrued expenses	$ 1,549,005
Deferred rent and lease incentive	925,786
Total Liabilities	2,474,791
Net Assets	
Without donor restrictions	18,317,146
With donor restrictions	14,706,194
Total Net Assets	33,023,340
Total Liabilities and Net Assets	$ 35,498,131

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

COMMON CAUSE AND AFFILIATE

CONSOLIDATED STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and Support			
Grants and contributions	$ 14,153,148	$ 13,502,359	$ 27,655,507
Contributed services	14,332,815	--	14,332,815
Bequests	680,955	--	680,955
Rental and other income	63,834	--	63,834
Net assets released from restrictions			
Satisfaction of time restrictions	1,390,887	(1,390,887)	--
Satisfaction of program restrictions	7,874,378	(7,874,378)	--
Total Revenue and Support	38,496,017	4,237,094	42,733,111
Expenses			
Program services:			
Other national programs	19,817,497	--	19,817,497
States programs	5,813,063	--	5,813,063
Voting and elections	2,794,199	--	2,794,199
Redistricting and representation	827,255	--	827,255
Media and democracy	695,675	--	695,675
Money in politics	472,413	--	472,413
Total Program Services	30,420,102	--	30,420,102
Supporting services:			
General and administration	743,169	--	743,169
Fundraising	5,312,840	--	5,312,840
Total Supporting Services	6,056,009	--	6,056,009
Total Expenses	36,476,111	--	36,476,111
Change in Net Assets from Operations	2,019,906	4,237,094	6,257,000
Paycheck protection program loan forgiveness	1,129,700	--	1,129,700
Net investment return	(312,834)	(331,203)	(644,037)
Change in Net Assets	2,836,772	3,905,891	6,742,663
Net Assets, Beginning of Year	15,480,374	10,800,303	26,280,677
Net Assets, End of Year	$ 18,317,146	$ 14,706,194	$ 33,023,340

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

COMMON CAUSE AND AFFILIATE

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED JUNE 30, 2022

	Program Services							Supporting Services			
	Other National Programs	States Programs	Voting and Elections	Redistricting and Representation	Media and Democracy	Money in Politics	Total Program Services	General and Administrative	Fundraising	Total Supporting Services	Total
In-kind professional services	$ 14,317,396	$ 15,419	$ --	$ --	$ --	$ --	$ 14,332,815	$ --	$ --	$ --	$ 14,332,815
Salaries	2,665,502	2,277,475	1,635,829	512,479	355,031	315,921	7,762,237	205,079	1,385,637	1,590,716	9,352,953
Consultants and professional fees	1,230,350	1,524,218	638,119	163,174	27,882	40,719	3,624,462	123,852	370,614	494,466	4,118,928
Public relations	172,149	114,286	--	415	7,440	732	295,022	12,614	2,686,115	2,698,729	2,993,751
Payroll taxes and fringe benefits	674,674	557,886	417,638	125,883	87,948	80,539	1,944,568	54,637	348,576	403,213	2,347,781
Occupancy	170,680	621,632	38,079	9,785	97,017	11,949	949,142	170,164	65,328	235,492	1,184,634
Other	284,116	240,100	18,627	177	67,801	4,127	614,948	66,971	228,787	295,758	910,706
Information technology	239,609	220,928	23,114	11,240	47,907	9,557	552,355	95,458	220,235	315,693	868,048
Travel, conferences and meetings	63,021	241,119	22,793	4,102	4,649	8,869	344,553	14,394	7,548	21,942	366,495
Total Expenses	$ 19,817,497	$ 5,813,063	$ 2,794,199	$ 827,255	$ 695,675	$ 472,413	$ 30,420,102	$ 743,169	$ 5,312,840	$ 6,056,009	$ 36,476,111

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

COMMON CAUSE AND AFFILIATE

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2022

Cash Flows From Operating Activities	
Change in Net Assets	$ 6,742,663
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Unrealized and realized losses on investments	726,982
Depreciation and amortization	169,325
Paycheck protection program loan forgiveness	(1,129,700)
Changes in assets and liabilities	
Grants, contributions and bequests receivable	(1,819,029)
Prepaid expenses and other assets	(55,427)
Accounts payable and accrued expenses	174,617
Deferred rent and lease incentive	(141,667)
Net Cash Provided By Operating Activities	4,667,764
Cash Flows From Investing Activities	
Proceeds from sale and maturities of investments	5,563,248
Purchases and donations of investments	(7,115,104)
Purchases of property and equipment	(27,127)
Net Cash Used In Investing Activities	(1,578,983)
Net Increase in Cash and Cash Equivalents	3,088,781
Cash and Cash Equivalents, Beginning of Year	18,289,784
Cash and Cash Equivalents, End of Year	$ 21,378,565
Reconciliation of cash and cash equivalents	
Cash and cash equivalents	$ 19,924,519
Cash and cash equivalents held for investment purposes	1,454,046
Total cash and cash equivalents	$ 21,378,565
Supplemental Noncash Financing Activities	
Paycheck protection program loan forgiveness	$ 1,129,700

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION

ORGANIZATION

Common Cause was formed in 1968 as a nonprofit under the laws of the District of Columbia. Common Cause is a nonpartisan, grassroots organization dedicated to upholding the core values of American democracy. Common cause works to create open, honest, and accountable government that serves the public interest; promotes equal rights, opportunity and representation for all; and empowers all people to make their voices heard in the political process. Common Cause has an innovative, pragmatic and comprehensive pro-democracy agenda. Common Cause leads and defines the democracy reform movement, promoting solutions already succeeding in some communities to shift power to the people.

Common Cause Education Fund (the Education Fund) was formed in 2000 as a nonprofit under the laws of the State of Delaware. The Education Fund provides public education, engagement, and research. Grants and tax-deductible contributions to the Education Fund increase capacity to build public engagement on democracy issues and promote the effective citizen participation so critical for a healthy, robust democratic society.

Together, Common Cause and the Education Fund, employ a powerful combination of grassroots organizing, coalition building, research, policy development, public education, lobbying and litigation to win reform at all levels of government.

PRINCIPLES OF CONSOLIDATION

The consolidated financial statements include the accounts of Common Cause and the Education Fund (collectively referred to as the Organization). Common Cause and the Education Fund have been consolidated, as required under accounting principles generally accepted in the United States of America (GAAP), due to the presence of a controlling interest in the Education Fund by Common Cause. All intercompany balances and transactions have been eliminated in consolidation.

BASIS OF ACCOUNTING

The consolidated financial statements have been prepared on the accrual basis of accounting. Consequently, revenue is recognized when earned and expenses are recognized when the obligations are incurred.

CASH EQUIVALENTS

As required under Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 230, *Statement of Cash Flows*, the Organization considers highly liquid investments purchased with maturities of three months or less to be cash equivalents.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION (CONTINUED)

RECEIVABLES

The Organization records receivables at net realizable value. Management periodically reviews the status of all promises to give for collectability. Each promise to give is assessed based on management's knowledge of and relationship with the donor and the payment history of each donor. Receivables are written off when deemed uncollectible. All amounts are due to be collected in less than one year.

INVESTMENTS

Investments consist of equities, mutual funds, and money market funds that are recorded in the accompanying consolidated financial statements at fair value, as based upon quoted market prices, as of June 30, 2022. Investments also includes cash and cash equivalents and certificates of deposit. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Purchases and sales are reflected on a trade-date basis. Interest, dividends and realized gains or losses are recorded when earned. Changes in the fair value of the portfolio are recorded as unrealized gains or losses.

FAIR VALUE MEASUREMENT

FASB ASC Topic 820, Fair Value Measurement, defines fair value and establishes a framework for measuring fair value for assets and liabilities that are measured at fair value on a recurring basis. In accordance with the accounting standards for fair value measurements for those assets and liabilities that are measured at fair value on a recurring basis, the Organization has categorized its applicable financial instruments into a required fair value hierarchy. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used to measure the financial instruments fall within different levels of the hierarchy, the categorization is based on the lowest-level input that is significant to the fair value measurement of the instrument. Applicable financial assets and liabilities are categorized based on the inputs to the valuation techniques as follows:

> *Level 1* – Inputs based on quoted prices (unadjusted) in active markets for identical assets or liabilities accessible at the measurement date.
>
> *Level 2* – Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly, such as quoted prices for similar assets or liabilities in active markets.
>
> *Level 3* – Unobservable inputs for the asset or liability, including the reporting entity's own assumptions in determining the fair value measurement.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION (CONTINUED)

FAIR VALUE MEASUREMENT (CONTINUED)

As of June 30, 2022, the Organization's investments were measured at fair value on a recurring basis, as presented in Note 3.

PROPERTY AND EQUIPMENT

Property and equipment with a useful life of more than one year and an acquisition cost of $1,000 are capitalized at cost. Maintenance and repairs are charged to expense when incurred; major improvements are capitalized. Property and equipment is depreciated or amortized using the straight-line method over the estimated useful lives. Computer equipment and software are depreciated over a three-to-five-year period. Furniture and other equipment are depreciated over a period ranging from five to seven years. Leasehold improvements are amortized using the straight-line method over the lesser of the estimated useful lives of the assets or the remaining term of the lease. Upon the retirement or disposal of assets, the accounts are relieved of the cost and accumulated depreciation, with any resulting gain or loss included in revenue or expense.

CLASSIFICATION OF NET ASSETS

The net assets of the Organization are reported as follows:

- Net assets without donor restrictions represent the portion of expendable funds that are available for any purpose in performing the primary objectives of the Organization at the discretion of the Organization's management and its Board of Trustees (the Board). Net assets without donor restrictions include amounts that have been designated by the Board for specific purposes.
- Net assets with donor restrictions represent funds, including any investment income, that are specifically restricted by donors for use in various programs and/or for specific periods of time. These donor restrictions can be temporary in nature in that they will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated that the funds be maintained in perpetuity. As of June 30, 2022, the Organization had no net assets with donor restrictions that are required to be maintained in perpetuity.

REVENUE RECOGNITION

Unconditional contributions and grants are recorded as revenue and support when received or unconditionally promised. Unconditional contributions and grants are considered available for unrestricted use unless specifically restricted by the donor. The Organization reports gifts of cash and other assets as having donor restrictions if they are received with

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION (CONTINUED)

REVENUE RECOGNITION (CONTINUED)

donor stipulations that limit the use of the donated assets. When a stipulated time restriction ends or purpose of a restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statement of activities as net assets released from restrictions. Unconditional contributions that have been committed to the Organization, but have not been received as of year-end, are reflected as receivables in the accompanying consolidated statement of financial position. Unconditional promises to give that are expected to be collected within one year are recorded at their net realizable value. Unconditional promises to give that are expected to be collected after one year are recorded at their present value using the appropriate discount rates. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met.

Wills are recorded as bequests revenue when the probate courts declare the wills are valid and the proceeds are measurable.

DONATED SERVICES

Donated services are recognized in the consolidated statement of activities as contributions and expenses in equal amounts in accordance with GAAP when the services: (a) create or enhance non-financial assets, or (b) require specialized skills, are performed by people with those skills and would otherwise be purchased by the Organization. Donated services have been recorded using the estimated fair market value of the services provided.

Certain contributed services have not been recorded in the accompanying consolidated financial statements because they do not meet the accounting criteria for recognition. These services relate primarily to national and state office volunteers and state advisory board members who provide program and support assistance to the Organization.

FUNCTIONAL ALLOCATION OF EXPENSES

The cost of providing the various programs and other activities have been summarized on a functional basis in the accompanying consolidated statement of functional expenses. Accordingly, certain cost have been allocated among the programs and supporting services benefited. Expenses directly attributed to a specific functional area of the Organization are reported as direct expenses to that function. Shared costs the that benefit more than one function are allocated based on estimated time and effort.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION (CONTINUED)

FUNCTIONAL ALLOCATION OF EXPENSES (CONTINUED)

The programs and supporting services are described as follows:

STATE PROGRAMS

The Organization boasts 25 state organizations with staff and 30 state organizations with staff and board members. Through the state organizations, the Organization works to achieve democracy reform victories at the state and local level that protect and strengthen the freedom to vote, get big money out of politics, end partisan and racial gerrymandering, secure ethics and accountability in our government and for elected leaders, and ensure our courts remain fair and independent. Through working with legislators, releasing reports, mobilizing volunteers, and working with coalition partners, the Organization has helped champion reforms that make government more accountable to the people.

VOTING AND ELECTIONS

The Organization's voting and elections team works to defend and strengthen the freedom to vote through lobbying, litigation, and organizing. The Organization's work has helped win hundreds of reforms at the national, state, and local levels. The Organization continues to advocate for reforms like automatic voter registration, same-day ("Election Day") registration, online voter registration, expanded vote-by-mail, enhanced early voting, and increased election funding. The Organization works to oppose voter ID and insecure methods of voting like mobile/remote/Internet voting. The Organization also leads a national "Election Protection" program each cycle with thousands of volunteers to ensure that all Americans can have their voices heard and votes counted.

REDISTRICTING AND REPRESENTATION

The Organization's redistricting and representation team continues to fight back against partisan and racial gerrymandering through legislation and at the ballot box, as well as in state and federal courts.

MEDIA AND DEMOCRACY

The Organization's Media and Democracy work ensures that everyone has access to the free flow of information and exchange of ideas necessary to make informed decisions about our democracy. The Organization's work is at the intersection of telecommunications, internet, and media law to advocate for policies that hold media companies accountable and protect diverse media ownership. Through grassroots mobilization, legal action, stakeholder engagement, and coalition work, the Organization's team ensures everyone has critical communication tools to participate in our government.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION (CONTINUED)

MONEY IN POLITICS

The Organization championed reforms such as the Ethics in Government Act, Federal Election Campaign Act, Bipartisan Campaign Reform Act, and the Honest Leadership and Open Government Act to get big money out of politics and help ensure that elected officials are accountable to "We the People." The Organization continues to file complaints, lead campaigns, and write op-eds to draw attention to the corrosive nature of big money in politics and push for increased disclosure of political spending, advance small dollar matching systems, pass resolutions to overturn the Citizens United decision, and other reforms that amplify the voices of everyday Americans.

OTHER NATIONAL PROGRAMS

The Organization's national programs work to support its 1.5 million members working at the national, state, and local levels of government. The programs support championing policy at every level of government, maintaining contact with policymakers and their staff, monitoring and reviewing legislation relevant to the organization's issues, membership mobilization through digital and grassroots campaigns, coalition building around policy and ballot measure initiatives, relationships with reporters to shape public opinion, and strategic messaging campaigns across multiple media channels to advance policy issues.

GENERAL AND ADMINISTRATION

The activities of this supporting service include the administrative processes of the Organization, such as managing operations and financial responsibilities. It also includes developing and directing the programs of Common Cause and the Common Cause Education Fund, including research and preparation of position papers and analyses of national and state issues.

FUNDRAISING

The activities of fundraising include raising funds to secure the financial needs of the Organization, through direct marketing to smaller donors and relationships with major donors and foundations.

ESTIMATES

The preparation of consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

MEASURE OF OPERATIONS

The Organization considers net investment return to be nonoperating in nature.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION (CONTINUED)

NEW ACCOUNTING PRONOUNCEMENTS

In September 2020, the FASB issued Accounting Standards Update (ASU) 2020-07, Not-for-Profit Entities (Topic 958): Presentation and Disclosure by Not-for-Profit Entities for Contributed Nonfinancial Assets, to increase the transparency of contributed nonfinancial assets through enhancements to presentation and disclosure. ASU 2020-07 requires not-for-profits (NFPs) to present contributed nonfinancial assets as a separate line item in the statement of activities and provide additional disclosures about contributions of nonfinancial assets. The adoption of the standard did not result in a material change to the financial statements.

In February 2016, the FASB issued ASU 2016-02, *Leases* (Topic 842), which requires lessees to recognize all leases (other than leases with a term of 12 months or fewer) on the statement of financial position as lease liabilities, based upon the present value of the future lease payments, with corresponding rights of use assets. ASU 2016-02 also makes targeted changes to other aspects of current guidance, including identifying a lease and lease classification criteria as well as the lessor accounting model, including guidance on separating components of a contract and consideration in the contract. Although the amendments in ASU 2016-02 permitted early adoption, the Organization elected not to adopt the pronouncement during the year ended June 30, 2022. The Organization will implement ASU 2016-02 on July 1, 2022, which will require modified retrospective application as of the beginning of the earliest period presented in the financial statements.

NOTE 2 - GRANT, CONTRIBUTIONS AND BEQUEST RECEIVABLES

Grant, contribution and bequest receivables are composed of unconditional promises to give. The Organization has not recorded an allowance for uncollectible receivables, as management believes all amounts are fully collectible. Additionally, no discount was recorded as of June 30, 2022 as all grant, contribution and bequest receivables are expected to be received in less than one year.

As of June 30, 2022, the Organization received conditional grants totaling $450,000. The Organization records revenue and support on these conditional grants as the conditions are met. As of June 30, 2022, $300,000 of the conditional grants had not been recognized as the conditions set by the grantors have not been met.

NOTE 3 - INVESTMENTS AND FAIR VALUE MEASUREMENT

Investments consisted of the following at June 30, 2022:

	Total Fair Value	Quoted Prices in Active Markets for Identical Assets/ Liabilities Level 1	Significant Other Observable Inputs Level 2	Significant Unobservable Inputs Level 3
Investments:				
Equity securities	$ 5,565,658	$ 5,565,658	$ --	$ --
Money market funds	4,462,079	4,462,079	--	--
Mutual funds	4,467	4,467	--	--
Total Investments in Fair Value Hierarchy	10,032,204	$ 10,032,204	$ --	$ --
Cash and cash equivalents	1,454,046			
Certificates of deposit	25,887			
Total Investments	$ 11,512,137			

Equity securities, money market funds and mutual funds– Valued based on quoted prices in active markets.

Certificates of deposit – Valued based on principal plus accrued interest.

NOTE 4 - PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at June 30, 2022:

Computer equipment and software	$ 191,191
Furniture and other equipment	223,228
Leasehold improvements	1,179,613
Total Property and Equipment	1,594,032
Less: Accumulated depreciation and amortization	(1,058,585)
Property and Equipment, Net	$ 535,447

Depreciation and amortization expense was $169,325 for the year ended June 30, 2022.

NOTE 5 - NET ASSETS

NET ASSETS WITHOUT DONOR RESTRICTIONS

Net assets without donor restrictions consisted of the following at June 30, 2022:

Undesignated	$ 11,863,717
Board designated	6,453,429
Total Net Assets Without Donor Restrictions	**$ 18,317,146**

The Organization has a board-designated fund which is referred to as the reserve fund. The Board established the reserve fund to seize opportunities and prepare for emergencies. Effective July 1, 2021, the Organization's goal is to accumulate a reserve fund equal to $12 million. In order to achieve this goal, 100% of all bequests received will be allocated to the reserve fund.

NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions and related activities consisted of the following as of and for the year ended June 30 2022:

Subject to purpose restrictions:	
Voting and elections	$ 3,807,402
Government accountability	3,502,978
State programs	1,424,574
Redistricting and representation	1,385,084
Other programs	1,306,921
Media and democracy	525,220
Money in politics	500,853
Total Subject to Purpose Restrictions	12,453,032
Subject to occurrence of specified events/passage of time	2,253,162
Total Net Assets Without Donor Restrictions	**$ 14,706,194**

The government accountability funding was established in accordance with the George S. McGovern Great Government Endowment grant agreement. Under the terms of the grant agreement, the Organization must invest any unspent funds, and any associated investment earnings are restricted to support the activities of the program, but the Organization must spend the original contribution and any investment earnings in accordance with the annual spending thresholds identified in the grant agreement until the funds are exhausted.

NOTE 6 - COMMITMENTS, RISKS AND CONTINGENCIES

CONCENTRATION OF CREDIT RISK

The Organization maintains its cash and cash equivalents with certain commercial financial institutions, which aggregate balances may exceed, at times, the Federal Deposit Insurance Corporation (FDIC) insured limit of $250,000 per depositor per institution. As of June 30, 2022, the balance exceeded the FDIC maximum insured limit by approximately $19,575,000. The Organization monitors the creditworthiness of these institutions and has not experienced any historical credit losses on its cash and cash equivalents.

OPERATING LEASES

Common Cause has an operating lease for the national office in Washington, D.C. The lease is scheduled to expire in February 2027. The office lease agreement provides a 50% abatement of rent due for April 2016 through January 2017 and includes an escalation clause that adjusts annual base rentals. In addition, the terms of the office lease provided a tenant improvement allowance totaling $1,224,466 as an incentive to lease the office space.

Under GAAP, all fixed rent increases, less any rental abatements, and all lease incentives are recognized on a straight-line basis over the term of the lease. The difference between this expense and the required lease payments is reflected as deferred rent and construction allowance in the accompanying consolidated statement of financial position.

Under various operating lease agreements, Common Cause has office space for certain state offices. The terms of the state office leases cover varying periods through April 2025.

Future minimum payments related to these leases are as follows:

For the Year Ending June 30,	
2023	$ 1,024,070
2024	969,883
2025	883,813
2026	861,085
2027	584,776
Total Future Minimum Payments	$ 4,323,627

Rent expense under the office leases related to the national and state offices totaled $972,871 for the year ended June 30, 2022.

NOTE 6 - COMMITMENTS, RISKS AND CONTINGENCIES (CONTINUED)

SUBLEASES

From time to time, the Organization subleases a portion of its national office. The subleases typically have terms no longer than one year. Rental income from subleases totaled $30,500 for the year ended June 30, 2022.

LINE OF CREDIT

The Organization has a revolving demand line of credit with a financial institution in the amount of $1,000,000. The line of credit is secured by deposits and investments held by the same financial institution, plus all other assets. Amounts borrowed under this line of credit are due and payable on demand. Interest on borrowed funds is payable monthly and accrues at variable interest rate as defined in the line of credit agreement, which was 3.56% as of June 30, 2022. There was no outstanding balance due on the line of credit as of June 30, 2022, and there were no borrowings under this line during the year ended June 30, 2022.

EMPLOYMENT AGREEMENT

The Organization has an employment agreement with its President and Chief Executive Officer. Under the terms of the agreement, should the Organization terminate her employment without cause, the Organization would be obligated to pay severance.

NOTE 7 - CONTRIBUTED SERVICES

The Organization receives donated legal services for its program service activities. These services are recognized if the services received create or enhance long-lived assets or require specialized skills, are provided by individuals possessing these skills and would typically need to be purchased if not donated. The Organization recognizes in-kind contribution revenue and a corresponding expense in an amount approximating the estimated fair value at the time of the donation. Donated services totaled $14,332,815 for the year ended June 30, 2022 and was primarily used to support its national programming.

NOTE 8 - LIQUIDITY AND AVAILABILITY

Financial assets available for use for general expenditures within one year of the consolidated statement of financial position date were comprised of the following:

Cash and cash equivalents	$ 19,924,519
Grant, contribution and bequest receivables	3,018,073
Investments	11,512,137
Total financial assets available within one year	34,454,729
Less: Donor restricted funds	(14,706,194)
Less: Board-designated funds	(6,453,429)
Financial Assets Available To Meet Cash Needs For General Expenditures within One Year	$ 13,295,106

The Organization has various sources of liquidity at its disposal, including cash and cash equivalents and investments, which are available for general expenditures, liabilities and other obligations as they come due. Management is focused on sustaining the financial liquidity of the Organization throughout the year. This is done through monitoring and reviewing the Organization's cash flow needs on a regular basis. As a result, management is aware of the cyclical nature of the Organization's cash flow related to the Organization's various funding sources and is therefore able to ensure that there is cash available to meet current liquidity needs. To help manage unanticipated liquidity needs, the Organization has a committed line of credit of $1,000,000 that is available to draw upon as of June 30, 2022. Additionally, the Organization has board-designated net assets that could be available for current operations with Board approval, if necessary.

NOTE 9 - RETIREMENT PLAN

The Organization maintains a defined contribution 401(k) retirement plan available to all employees meeting certain eligibility requirements, as defined in the Plan document. Under the terms of the plan, employees may defer a portion of their annual compensation to the plan each year, not to exceed Internal Revenue Service limits. The Organization provides a discretionary contribution, a portion of which is a matching contribution. The Organization's contributions under the plan totaled $338,656 for the year ended June 30, 2022.

NOTE 10 - INCOME TAXES

Common Cause and the Education Fund are exempt from Federal income taxes under Section 501(c)(4) and 501(c)(3) of the Internal Revenue Code, respectively. Accordingly, Common Cause and the Education Fund are exempt from the payment of taxes on income

NOTE 10 - INCOME TAXES (CONTINUED)

other than net unrelated business income. No provision for income taxes has been made in the consolidated financial statements for the year ended June 30, 2022, as there was no significant net unrelated business income.

The Organization has adopted the authoritative guidance relating to accounting for uncertainty in income taxes included in FASB ASC Topic 740, Income Taxes. These provisions provide consistent guidance for the accounting for uncertainty in income taxes recognized in an entity's financial statements and prescribe a threshold of "more likely than not" for recognition and derecognition of tax positions taken or expected to be taken in a tax return. The Organization evaluated its uncertainty in income taxes for the year ended June 30, 2022, and determined that there were no matters that would require recognition in the consolidated financial statements or that may have any effect on its tax-exempt status; and there are currently no examinations pending or in progress. It is the Organization's policy to recognize interest and/or penalties related to uncertainty in income taxes, if any, in income tax or interest expense. As of June 30, 2022, the Organization had no accruals for interest and/or penalties.

NOTE 11 - SUBSEQUENT EVENTS

The Organization's management has evaluated subsequent events through March 27, 2023, the date the consolidated financial statements were available to be issued. There were no subsequent events that require recognition or disclosure in these consolidated financial statements.

COMMON CAUSE AND AFFILIATE

CONSOLIDATING SCHEDULE OF FINANCIAL POSITION

JUNE 30, 2022

	Common Cause	Education Fund	Eliminations	Total
Assets				
Cash and cash equivalents	$ 6,969,283	$ 12,955,236	$ --	$ 19,924,519
Grant, contributions and bequests receivable	249,046	2,769,027	--	3,018,073
Amount due from affiliate	--	607,525	(607,525)	--
Investments	3,784,665	7,727,472	--	11,512,137
Prepaid expenses and other assets	390,997	116,958	--	507,955
Property and equipment	528,850	6,597	--	535,447
Total Assets	$ 11,922,841	$ 24,182,815	$ (607,525)	$ 35,498,131
Liabilities and Net Assets				
Liabilities				
Accounts payable and accrued expenses	$ 447,651	$ 1,101,354	$ --	$ 1,549,005
Amount due to affiliate	607,525	--	(607,525)	--
Deferred rent and lease incentive	925,786	--	--	925,786
Total Liabilities	1,980,962	1,101,354	(607,525)	2,474,791
Net Assets				
Without donor restrictions	8,126,728	10,190,418	--	18,317,146
With donor restrictions	1,815,151	12,891,043	--	14,706,194
Total Net Assets	9,941,879	23,081,461	--	33,023,340
Total Liabilities and Net Assets	$ 11,922,841	$ 24,182,815	$ (607,525)	$ 35,498,131

See independent auditors' report.

COMMON CAUSE AND AFFILIATE

CONSOLIDATING SCHEDULE OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2022

	Without Donor Restrictions			With Donor Restrictions			
	Common Cause	Education Fund	Total	Common Cause	Education Fund	Total	Total
Revenue and Support							
Grants and contributions	$ 7,746,786	$ 6,406,362	$ 14,153,148	$ 1,721,540	$ 11,780,819	$ 13,502,359	$ 27,655,507
Contributed services	14,332,815	--	14,332,815	--	--	--	14,332,815
Bequests	509,207	171,748	680,955	--	--	--	680,955
Rental and other income	59,247	4,587	63,834	--	--	--	63,834
Net assets released from restrictions							
Satisfaction of time restrictions	--	1,390,887	1,390,887	--	(1,390,887)	(1,390,887)	--
Satisfaction of program restrictions	972,832	6,901,546	7,874,378	(972,832)	(6,901,546)	(7,874,378)	--
Total Revenue and Support	23,620,887	14,875,130	38,496,017	748,708	3,488,386	4,237,094	42,733,111
Expenses							
Program services:							
Other national programs	16,008,149	3,809,348	19,817,497	--	--	--	19,817,497
States programs	2,431,287	3,381,776	5,813,063	--	--	--	5,813,063
Voting and elections	11,846	2,782,353	2,794,199	--	--	--	2,794,199
Redistricting and representation	137,452	689,803	827,255	--	--	--	827,255
Media and democracy	654,843	40,832	695,675	--	--	--	695,675
Money in politics	64,418	407,995	472,413	--	--	--	472,413
Total Program Services	19,307,995	11,112,107	30,420,102	--	--	--	30,420,102
Supporting services:							
Fundraising	3,313,294	1,999,546	5,312,840	--	--	--	5,312,840
General and administration	510,301	232,868	743,169	--	--	--	743,169
Total Supporting Services	3,823,595	2,232,414	6,056,009	--	--	--	6,056,009
Total Expenses	23,131,590	13,344,521	36,476,111	--	--	--	36,476,111
Change in Net Assets from Operations	489,297	1,530,609	2,019,906	748,708	3,488,386	4,237,094	6,257,000
Paycheck protection program loan forgiveness	--	1,129,700	1,129,700	--	--	--	1,129,700
Net investment return	(1,442)	(311,392)	(312,834)	(21,460)	(309,743)	(331,203)	(644,037)
Change in Net Assets	487,855	2,348,917	2,836,772	727,248	3,178,643	3,905,891	6,742,663
Net Assets, Beginning of Year	7,638,873	7,841,501	15,480,374	1,087,903	9,712,400	10,800,303	26,280,677
Net Assets, End of Year	$ 8,126,728	$ 10,190,418	$ 18,317,146	$ 1,815,151	$ 12,891,043	$ 14,706,194	$ 33,023,340

See independent auditors' report.