

PUBLIC CITIZEN FOUNDATION, INC.
AUDITED FINANCIAL STATEMENTS
September 30, 2014

**PUBLIC CITIZEN FOUNDATION, INC.
AUDITED FINANCIAL STATEMENTS
SEPTEMBER 30, 2014**

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Board of Directors
Public Citizen Foundation, Inc.
Washington, DC

Independent Auditor's Report

We have audited the accompanying financial statements of Public Citizen Foundation, Inc. (the Foundation), which comprise the statement of financial position as of September 30, 2014, and the related statements of activities, 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 the Foundation as of September 30, 2014, 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.

COUNCILOR BUCHANAN MITCHELL, CPAs AND BUSINESS ADVISORS
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Independent Auditor's Report
Public Citizen Foundation, Inc.

Report on Summarized Comparative Information

We have previously audited the Foundation's 2013 financial statements, and we expressed an unmodified opinion on those financial statements in our report dated December 13, 2013. In our opinion, the summarized comparative information presented herein as of and for the year ended September 30, 2013, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Councilor, Buchanan + Mitchell, P.C.

Washington, DC
January 28, 2015

PUBLIC CITIZEN FOUNDATION, INC.
STATEMENT OF FINANCIAL POSITION
SEPTEMBER 30, 2014
(With Summarized Financial Information for September 30, 2013)

	2014	2013
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 692,411	\$ 642,262
Investments	525,000	433,000
Accounts receivable	82,274	95,835
Grants and pledges receivable	400,000	887,500
Interest receivable	1,831	5,071
Bequests receivable	72,001	195,000
Prepaid expenses	88,025	73,763
TOTAL CURRENT ASSETS	1,861,542	2,332,431
INVESTMENTS, net of current portion	5,452,382	4,134,362
GRANTS AND PLEDGES RECEIVABLE, net of current portion		210,000
FIXED ASSETS		
Buildings and improvements	3,307,999	3,306,004
Land	1,243,073	1,243,073
Office furniture and equipment	546,533	603,495
	5,097,605	5,152,572
Less accumulated depreciation and amortization	(1,991,599)	(1,908,449)
TOTAL FIXED ASSETS	3,106,006	3,244,123
INVESTMENTS - CHARITABLE GIFT ANNUITIES	2,103,026	1,862,525
TOTAL ASSETS	\$ 12,522,956	\$ 11,783,441

Continued

PUBLIC CITIZEN FOUNDATION, INC.
STATEMENT OF FINANCIAL POSITION (Continued)
SEPTEMBER 30, 2014
(With Summarized Financial Information for September 30, 2013)

	2014	2013
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable and accrued expenses	\$ 299,613	\$ 314,766
Accrued leave	289,314	230,470
Deferred subscription revenue	1,662,190	1,703,210
Deferred event revenue	37,650	15,511
Charitable gift annuities payable	173,714	151,642
Due to Public Citizen, Inc.	395,145	621,071
TOTAL CURRENT LIABILITIES	2,857,626	3,036,670
CHARITABLE GIFT ANNUITIES PAYABLE, net of current portion	811,820	741,519
TOTAL LIABILITIES	3,669,446	3,778,189
NET ASSETS		
Unrestricted	6,734,969	5,239,813
Temporarily restricted	2,118,541	2,765,439
TOTAL NET ASSETS	8,853,510	8,005,252
TOTAL LIABILITIES AND NET ASSETS	\$ 12,522,956	\$ 11,783,441

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

PUBLIC CITIZEN FOUNDATION, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2014
(With Summarized Financial Information for the Year Ended September 30, 2013)

	Unrestricted	Temporarily Restricted	2014 Total	2013 Total
REVENUES				
Contributions	\$ 5,387,700	\$ 420,681	\$ 5,808,381	\$ 4,142,677
Grants	223,000	2,687,467	2,910,467	4,234,500
Publication subscriptions	1,572,812		1,572,812	1,966,377
List rental revenue	105,373		105,373	113,190
Interest and dividends	199,853	10,852	210,705	170,198
Gain on investments	169,537	14,508	184,045	285,344
Court awards	552,714		552,714	134,666
Other	9,268		9,268	10,103
Change in value of charitable gift annuities	(103,896)		(103,896)	(19,563)
Net assets released from restrictions	3,780,406	(3,780,406)	-0-	-0-
TOTAL REVENUES	11,896,767	(646,898)	11,249,869	11,037,492
EXPENSES				
PROGRAM				
Public Information and Education	1,817,825		1,817,825	1,801,225
Publications	1,621,061		1,621,061	2,140,362
Health Research Group	905,666		905,666	819,132
Litigation Group	1,189,604		1,189,604	1,166,846
Congress Watch	927,739		927,739	1,062,696
Global Trade Watch	884,273		884,273	948,240
Energy Program	219,821		219,821	179,097
PC Texas	1,110,981		1,110,981	829,601
TOTAL PROGRAM	8,676,970	-0-	8,676,970	8,947,199
SUPPORTING				
Management and general	1,017,898		1,017,898	939,229
Fundraising	706,743		706,743	553,906
TOTAL SUPPORTING	1,724,641	-0-	1,724,641	1,493,135
TOTAL EXPENSES	10,401,611	-0-	10,401,611	10,440,334
CHANGE IN NET ASSETS	1,495,156	(646,898)	848,258	597,158
NET ASSETS, BEGINNING OF YEAR	5,239,813	2,765,439	8,005,252	7,408,094
NET ASSETS, END OF YEAR	\$ 6,734,969	\$ 2,118,541	\$ 8,853,510	\$ 8,005,252

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

	PROGRAM					
	Public Information and Education	Publications	Health Research Group	Litigation Group	Congress Watch	Global Trade Watch
Salaries	\$ 932,806	\$ 29,965	\$ 630,631	\$ 796,704	\$ 541,460	\$ 509,471
Payroll taxes and employee benefits	220,849	8,368	152,774	210,391	142,720	133,993
Consulting and professional fees	126,096	227,744	832		73,213	57,834
Office supplies	5,494	19	3,669	5,734	4,094	13,095
Telephone	7,869	513	2,304	5,075	3,493	9,730
Telemarketing						
Postage and shipping	64,950	643,677	533	2,687	72	436
Printing and publications	64,343	409,621	200	4,057	866	588
Travel	68,884		63	2,676	10,549	62,251
Depreciation and amortization						
Reference materials	15,700	145	10,156	54,043	8,305	8,587
Rent	1,188					
Meeting fees/conference	5,460			245	6,533	4,411
Special events	22,335		2,694			68
Software maintenance	353		121			
Contract labor	2,149		24,600			13,000
Caging and database maintenance	19,375	72,828				
Repairs and maintenance	21		19			
Fees, licenses and taxes	2,137	349	586	4,255	9,958	479
Grant distribution	100,000				50,000	3,000
Mail house	29,267	153,014				
List rental cost	5,000	64,249				
Bank charges and investment fees	9,436		221	1,133	55	412
Miscellaneous	4,462	3,748	2,314	6,200	189	1,062
Administrative	109,651	6,821	73,949	96,404	70,000	60,000
Utilities					6,232	5,856
Insurance						
TOTAL EXPENSES	\$ 1,817,825	\$ 1,621,061	\$ 905,666	\$ 1,189,604	\$ 927,739	\$ 884,273

PUBLIC CITIZEN FOUNDATION, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED SEPTEMBER 30, 2014
(With Summarized Financial Information for the Year Ended September 30, 2013)

SUPPORTING							
Energy Program	PC Texas	Total Program	Mgmt. and General	Fundraising	Total Supporting	2014 Total	2013 Total
\$ 147,742	\$ 360,443	\$ 3,949,222	\$ 352,033	\$ 191,160	\$ 543,193	\$ 4,492,415	\$ 4,210,651
38,291	97,653	1,005,039	104,150	38,160	142,310	1,147,349	985,773
910	168,492	655,121	241,991	95,434	337,425	992,546	852,127
589	42,121	74,815	30,602	2,802	33,404	108,219	113,685
708	7,179	36,871	39,041	1,099	40,140	77,011	77,072
		-0-			-0-	-0-	3,466
74	440	712,869	62,794	112,891	175,685	888,554	1,044,419
	1,641	481,316	57,530	100,014	157,544	638,860	840,787
5,858	51,381	201,662	6,831	9,381	16,212	217,874	195,732
		-0-	177,457		177,457	177,457	166,120
204	5,120	102,260	10,704	3,680	14,384	116,644	110,695
	48,816	50,004			-0-	50,004	53,684
547	10,914	28,110	148	204	352	28,462	43,983
		25,097	21,945	29,881	51,826	76,923	99,564
		474	42,784		42,784	43,258	58,673
		39,749	24,118	2,875	26,993	66,742	29,212
		92,203	18,754	29,065	47,819	140,022	146,343
	75	115	60,802		60,802	60,917	89,341
2,643	9,474	29,881	98,813	229	99,042	128,923	130,897
500	269,000	422,500			-0-	422,500	596,828
	922	183,203	28,329	43,587	71,916	255,119	293,073
		69,249	4,840	6,689	11,529	80,778	106,458
55	45	11,357	60,571	12,302	72,873	84,230	72,601
46	783	18,804	3,464	949	4,413	23,217	32,316
20,000	35,982	472,807	(499,148)	26,341	(472,807)	-0-	-0-
1,654		13,742	42,551		42,551	56,293	62,343
	500	500	26,794		26,794	27,294	24,491
\$ 219,821	\$ 1,110,981	\$ 8,676,970	\$ 1,017,898	\$ 706,743	\$ 1,724,641	\$ 10,401,611	\$ 10,440,334

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

PUBLIC CITIZEN FOUNDATION, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED SEPTEMBER 30, 2014
(With Summarized Financial Information for the Year Ended September 30, 2013)

	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES		
CHANGE IN NET ASSETS	\$ 848,258	\$ 597,158
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation and amortization	177,457	166,120
Gain on investments	(184,045)	(285,344)
Decrease in accounts receivable	13,561	18,561
Decrease (increase) in grants and pledges receivable	697,500	(957,500)
Decrease in interest receivable	3,240	6,266
Decrease (increase) in bequests receivable	122,999	(147,499)
(Increase) decrease in prepaid expenses	(14,262)	4,947
(Decrease) increase in accounts payable and accrued expenses	(15,153)	15,081
Increase in accrued leave	58,844	44,574
Decrease in deferred subscription revenue	(41,020)	(341,147)
Increase in deferred event revenue	22,139	15,511
Increase in charitable gift annuities payable	92,373	74,444
(Decrease) increase in due to Public Citizen, Inc.	(225,926)	270,800
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	1,555,965	(518,028)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of investments	(3,144,579)	(2,857,747)
Proceeds from sales and maturities of investments	1,678,103	3,393,719
Purchases of property and equipment	(39,340)	(186,625)
NET CASH (USED IN) PROVIDED BY INVESTING ACTIVITIES	(1,505,816)	349,347
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	50,149	(168,681)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	642,262	810,943
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 692,411	\$ 642,262

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

PUBLIC CITIZEN FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2014

NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization Public Citizen Foundation, Inc. (the Foundation) was founded in 1982 and is a nonprofit citizen research and educational organization. The Foundation is based in Washington, DC and works for consumer rights in the marketplace, safe products, a healthy environment, clean and safe energy sources, and corporate and government accountability. These activities are funded primarily through contributions, grants, subscriptions and publication sales.

Tax Status The Foundation is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code (the Code). The Foundation is, however, subject to income taxes on any unrelated business income. In addition, the Internal Revenue Service has determined that the Foundation is not a private foundation within the meaning of Section 509(a) of the Code.

The Foundation requires that a tax position be recognized or derecognized based on a “more-likely-than-not” threshold. This applies to positions taken or expected to be taken in a tax return. The Foundation does not believe its financial statements include, or reflect, any uncertain tax positions.

The Foundation’s Form 990, *Return of Organization Exempt from Income Tax*, is subject to examination by the taxing authorities generally for three years after filing.

Cash and Cash Equivalents The Foundation considers all amounts in checking accounts and money market funds to be cash equivalents except for money market funds held in charitable gift annuity investment accounts.

Investments The Foundation reports investments at market value with the exception of certificates of deposit. Certificates of deposit are recorded at cost as the Foundation intends to hold them until maturity.

Accounts Receivable Accounts receivable consists primarily of amounts due from court awards, list rentals and reimbursements which were not received by the Foundation at year-end. The management of the Foundation reviews the collectability of the accounts receivable on a monthly basis. No reserve for doubtful accounts has been established because management expects to collect all accounts receivable in full.

Grants and Pledges Receivable Grants and pledges receivable consists primarily of amounts due from organization grants and individual pledges that were not received by the Foundation at year end. The management of the Foundation reviews the collectability of the accounts on a regular basis, and no reserve for doubtful accounts has been established. Contributions are recognized when the donor makes an unconditional promise to give.

PUBLIC CITIZEN FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS (Continued)
SEPTEMBER 30, 2014

NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)

Bequests Receivable Bequests receivable consists of amounts due from bequests that were not received by the Foundation at year end. The management of the Foundation reviews the collectability of the accounts on a regular basis, and no reserve for doubtful accounts has been established.

Fixed Assets The Foundation capitalizes all fixed asset acquisitions of \$1,000 and above. Fixed assets are carried at cost, if purchased or at fair market value at date of donation, if contributed. Depreciation is computed using the straight-line method over the estimated useful lives of the assets. Expenditures for repairs and maintenance, including planned major maintenance activities, are charged to expense as incurred.

**Deferred
Subscription
Revenue** Revenue from publication subscriptions is recognized ratably over the subscription period. Accordingly, the portion of each year's subscription revenue attributable to periods after September 30, 2014 is recorded as deferred subscription revenue.

**Charitable Gift
Annuities** The Foundation has entered into a number of charitable gift annuity (CGA) agreements with its donors. Under the terms of these agreements, the donor contributes assets to the Foundation in exchange for a promise by the Foundation to pay a fixed amount for a specified period of time (usually the donor's lifetime) to the donor or to individuals or organizations designated by the donor. At the inception of a CGA agreement, the excess of the fair value of assets received over the present value of annuity payments to be made to the donor or beneficiary is recognized as a charitable contribution. Subsequent changes to the present value of annuity payments are reported as change in value of charitable gift annuities on the statement of activities. The assets held for all charitable gift annuities are reported in charitable gift annuity investments on the statement of financial position and stated at fair value. Liabilities for the expected annuity payments are reported at the estimated present value of future cash outflows, based on appropriate discount rates and mortality tables. The Foundation invests the charitable gift annuities in accordance with relevant state laws.

As of September 30, 2014, the total assets, at fair value, were approximately \$2,103,000. The actuarial present value of the Foundation's interest in such funds was approximately \$1,117,000 as of September 30, 2014, and were computed using discount rates ranging from 1.2% to 5.5%. The Foundation is required to maintain a reserve of 115% and 110% of the annuity liability for California and Tennessee participants respectively.

PUBLIC CITIZEN FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS (Continued)
SEPTEMBER 30, 2014

NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)

Contributions	The Foundation 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 donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.
Functional Allocation of Expenses	The costs of providing the various programs and other activities have been summarized on a functional basis in the statements of activities and functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.
Estimates	The preparation of 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 and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.
Prior Year Information	The financial statements include certain prior year summarized comparative totals as of and for the year ended September 30, 2013. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Foundation's financial statements for the year ended September 30, 2013, from which the summarized information was derived.
Donated Services	Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Foundation. For the year ended September 30, 2014, the Foundation received pro-bono legal services of approximately \$54,000 which are classified as management and general expenses, and pro-bono consulting services of approximately \$12,000 which are included in Public Information and Education program expenses.
Reclassifications	Certain 2013 amounts have been reclassified for comparative purposes.

PUBLIC CITIZEN FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS (Continued)
SEPTEMBER 30, 2014

NOTE B - DESCRIPTION OF PROGRAM SERVICES

A description of the program services in the accompanying financial statements is as follows:

**Public
Information and
Education**

The Foundation is active in every public forum: Congress, the courts, government agencies, and the news media. The Foundation believes that full disclosure of government information empowers citizens and consumers. All of the Foundation's communication and outreach efforts aim to make information about health care, transportation, international trade, nuclear waste and reactor safety, renewable energy, government and corporate accountability and related issues accessible to ordinary citizens. If necessary, the Foundation uses the courts to ensure fair access to information.

Publications

The Foundation publishes books, periodicals, special reports, and expert testimony on current issues in health and safety, the law, energy policy, transportation, and government and corporate accountability. This information is available to the public.

**Health Research
Group**

The Health Research Group fights for safe foods, drugs, and medical devices; for universal access to quality health care; and for full disclosure of information that will empower consumers and inform their personal health care decisions.

**Litigation
Group**

Litigation Group attorneys have argued landmark lawsuits on behalf of citizens in virtually every federal court as well as many state courts. Their efforts to represent principled, rather than profitable, positions in legal disputes have preserved the vital checks and balances of the separation of powers in the federal government, prevented the destruction of presidential records, and forced regulatory agencies to issue important health and safety standards.

**Congress
Watch**

Congress Watch provides information to the public on the influence of special interest dollars that corrupt the political process and on corporate welfare expenditures that lard the federal budget; on a wide range of consumer protection measures, including health and safety standards, access to the courts, and financial services regulation.

**Global
Trade Watch**

Acting on its belief that so called "free trade" treaties cost U.S. jobs, reduce wages, undermine our democratic rights, and jeopardize health, safety, and the environment, Global Trade Watch provides information to the public on the damaging impact of the corporate push for globalization through treaties such as the North American Free Trade Agreement (NAFTA) and the World Trade Organization (WTO) agreements.

PUBLIC CITIZEN FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS (Continued)
SEPTEMBER 30, 2014

NOTE B - DESCRIPTION OF PROGRAM SERVICES (Continued)

Energy Program	The Energy Program provides information to the public on the threat of catastrophic climate change, the dangers of nuclear and fossil fuels, and the opportunities available to advance energy efficiency and develop renewable energy sources.
PC Texas	PC Texas informs Texans on important energy, trade, campaign finance reform, ethics, transportation, and utility issues.

NOTE C - RELATED PARTY TRANSACTIONS

The Foundation is affiliated with Public Citizen, Inc. (PCI), a nonprofit organization exempt under Section 501(c)(4) of the Internal Revenue Code. The Foundation and PCI are under the common control of one President. Due to the presence of common control and economic interest, the Foundation and PCI are presented as a single entity, Public Citizen, in separately issued consolidated financial statements as of and for the year ended September 30, 2014.

The Foundation and PCI share certain resources, hence incurring costs on behalf of each other. These costs are reviewed on a regular basis and reimbursed consistently throughout the year.

NOTE D - COLLECTIVE BARGAINING AGREEMENT

The employees of the Foundation elected to be covered by a collective bargaining agreement and to have the Service Employees International Union (SEIU), Local 500 AFL-CIO as their representative. The Foundation's management and SEIU ratified a collective bargaining agreement (the Agreement) as of October 1, 2013. The Agreement will remain in effect until September 30, 2016.

NOTE E - INVESTMENTS

Investments as of September 30, 2014 consisted of the following:

Description	Carrying value
Certificates of deposit carried at cost	\$ 650,000
Investments carried at fair market value:	
Money market	90,484
Government securities	279,795
Exchange traded funds	1,527,296
Mutual funds	5,532,833
Total investments carried at fair market value:	7,430,408
TOTAL	\$ 8,080,408

PUBLIC CITIZEN FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS (Continued)
SEPTEMBER 30, 2014

NOTE F – FAIR VALUE MEASUREMENTS

The fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value into three broad levels as follows:

Level 1 - inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities in active markets;

Level 2 - inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability other than quoted prices, either directly or indirectly, including inputs in markets that are not considered to be active;

Level 3 - inputs to the valuation methodology are unobservable and significant to the fair value measurement. The inputs to the determination of fair value require significant management judgment.

The following presents the Foundation's assets and liabilities measured at fair value on a recurring basis as of September 30, 2014:

Description	(Level 1)	(Level 2)	(Level 3)	Total
Money market	\$ 90,484			\$ 90,484
Government securities	279,795			279,795
Exchange traded funds	1,527,296			1,527,296
Mutual funds	5,532,833			5,532,833
Total assets	\$ 7,430,408	\$ -0-	\$ -0-	\$ 7,430,408
Charitable gift annuities			\$ 985,534	\$ 985,534
Total liabilities	\$ -0-	\$ -0-	\$ 985,534	\$ 985,534

The following is a summary of changes in the fair value of the Foundation's level 3 liabilities for the year ended September 30, 2014:

Description	Level 3
Balance, beginning of year	\$ 893,161
Additional charitable gift annuities	152,377
Change in value of charitable gift annuities	103,896
Payments from charitable gift annuities	(163,900)
Balance, end of year	\$ 985,534

PUBLIC CITIZEN FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS (Continued)
SEPTEMBER 30, 2014

NOTE G - TEMPORARILY RESTRICTED NET ASSETS

As of September 30, 2014, temporarily restricted net assets are available for the following programs or purposes:

Program or purpose	Amount
Public Information and Education	\$ 256,324
Health Research Group	38,365
Litigation Group	75,186
Congress Watch	278,043
Global Trade Watch	350,476
Energy Program	51,034
PC Texas	577,634
Morrison Fellowship Fund	301,322
Mazzochi Fellowship	13,850
Phyllis McCarthy Fund	44,306
Time restriction - general support	132,001
Total temporarily restricted net assets	\$ 2,118,541

For the year ended September 30, 2014, net assets were released from donor restrictions by incurring expenses satisfying the purpose restrictions specified by donors as follows:

Program or purpose	Amount
Public Information and Education	\$ 728,211
Health Research Group	51,532
Litigation Group	85,344
Congress Watch	744,300
Global Trade Watch	766,191
Energy Program	54,176
PC Texas	1,038,729
Morrison Fellowship Fund	113,679
Mazzochi Fellowship	400
Phyllis McCarthy Fund	2,844
Time restriction	195,000
Total releases	\$ 3,780,406

PUBLIC CITIZEN FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS (Continued)
SEPTEMBER 30, 2014

NOTE H - PENSION PLANS

The Foundation and its affiliate Public Citizen, Inc. maintain a 401(k) plan (the 401(k) Plan). The 401(k) Plan requires the Foundation to make a safe harbor contribution equal to 3% of the total compensation for all eligible employees. In addition under the collective bargaining agreement, the Foundation was required to make an additional 2% discretionary contribution to eligible employees.

The pension expense for the year ended September 30, 2014 was approximately \$174,000.

NOTE I - CONCENTRATIONS

As of September 30, 2014, three donors comprised 86% of grants and pledges receivable. As of September 30, 2014, two bequests comprised 77% of bequests receivable.

The Foundation maintains cash balances at financial institutions, which at times during the year exceeded Federal Deposit Insurance Corporation (FDIC) limits. Management believes the risk in these situations to be minimal.

As of September 30, 2014, approximately 81% of Public Citizen's employees are members of SEIU, Local 500 AFL-CIO.

NOTE J - JOINT COST ALLOCATION

The Foundation incurred joint costs of approximately \$1,461,000 in 2014 for informational materials and other activities that included fundraising appeals. The costs were allocated as follows:

Description	Amount
Program	\$ 445,048
Management and general	426,753
Fundraising	588,821
Total	\$ 1,460,622

NOTE K - SUBSEQUENT EVENTS

Subsequent events were evaluated through January 28, 2015 which is the date the financial statements were available to be issued.