



**PUBLIC CITIZEN FOUNDATION, INC.**

FINANCIAL STATEMENTS

SEPTEMBER 30, 2025





**PUBLIC CITIZEN FOUNDATION, INC.**

FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2025

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## INDEPENDENT AUDITOR'S REPORT

Board of Directors  
Public Citizen Foundation, Inc.

### Opinion

We have audited the accompanying financial statements of Public Citizen Foundation, Inc. (PCF), which comprise the statements of financial position as of September 30, 2025 and 2024, and the related statements of activities, functional expenses, and cash flows for the year ended September 30, 2025, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of PCF as of September 30, 2025 and 2024, and the changes in its net assets and its cash flows for the year ended September 30, 2025 in accordance with accounting principles generally accepted in the United States of America.

### Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audits of the Financial Statements section of our report. We are required to be independent of PCF and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. 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 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 financial statements that are free from material misstatement, whether due to fraud or error.

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





## Auditor's Responsibilities for the Audits of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's 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 generally accepted auditing standards 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, including omissions, 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 financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the 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 PCF'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 financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about PCF'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.



## Report on Summarized Comparative Information

We have previously audited the financial statements of Public Citizen Foundation, Inc. as of and for the year ended September 30, 2024, and we expressed an unmodified audit opinion on those financial statements in our report dated February 14, 2025. In our opinion, the summarized comparative information presented herein as of and for the year ended September 30, 2024, is consistent, in all material respects, with the audited financial statements from which it has been derived.

*Calibre CPA Group, PLLC*

Bethesda, MD  
March 5, 2026



**PUBLIC CITIZEN FOUNDATION, INC.**

STATEMENTS OF FINANCIAL POSITION

SEPTEMBER 30, 2025 AND 2024

	<u>2025</u>	<u>2024</u>
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	\$ 3,790,407	\$ 1,028,798
Investments	333,513	248,310
Accounts receivable	72,510	96,644
Grants receivable	550,000	775,000
Bequests receivable	-	250,000
Interest receivable	100,044	78,635
Due from Public Citizens, Inc.	-	276,056
Prepaid expenses	<u>69,314</u>	<u>47,758</u>
Total current assets	<u>4,915,788</u>	<u>2,801,201</u>
<b>Investments, net of current portion</b>	<u>32,123,788</u>	<u>26,652,197</u>
<b>Grants receivable, net of current portion</b>	<u>690,000</u>	<u>-</u>
<b>Property and equipment</b>		
Land	1,243,073	1,243,073
Building and improvements	3,666,323	3,610,104
Office furniture and equipment	<u>888,175</u>	<u>888,175</u>
	5,797,571	5,741,352
Less: accumulated depreciation and amortization	<u>(3,714,323)</u>	<u>(3,609,641)</u>
Net property and equipment	<u>2,083,248</u>	<u>2,131,711</u>
<b>Investments - charitable gift annuities</b>	<u>5,155,555</u>	<u>4,176,844</u>
Total assets	<u>\$ 44,968,379</u>	<u>\$ 35,761,953</u>

See accompanying notes to financial statements.



**PUBLIC CITIZEN FOUNDATION, INC.**

STATEMENTS OF FINANCIAL POSITION (CONTINUED)

SEPTEMBER 30, 2025 AND 2024

	<u>2025</u>	<u>2024</u>
<b>Liabilities and Net Assets</b>		
<b>Current liabilities</b>		
Accounts payable and accrued expenses	\$ 335,207	\$ 299,581
Accrued leave	543,647	709,700
Deferred subscription revenue	1,050,228	1,166,170
Charitable gift annuities payable	329,270	270,600
Due to Public Citizen, Inc.	138,008	-
Total current liabilities	<u>2,396,360</u>	<u>2,446,051</u>
<b>Long-term liabilities</b>		
Charitable gift annuities payable, net of current portion	<u>1,910,496</u>	<u>1,557,967</u>
Total liabilities	<u>4,306,856</u>	<u>4,004,018</u>
<b>Net assets</b>		
Without donor restrictions	34,891,312	26,560,415
With donor restrictions	<u>5,770,211</u>	<u>5,197,520</u>
Total net assets	<u>40,661,523</u>	<u>31,757,935</u>
Total liabilities and net assets	<u>\$ 44,968,379</u>	<u>\$ 35,761,953</u>

See accompanying notes to financial statements.



## PUBLIC CITIZEN FOUNDATION, INC.

### STATEMENT OF ACTIVITIES

YEAR ENDED SEPTEMBER 30, 2025  
(WITH COMPARATIVE TOTALS FOR YEAR ENDED SEPTEMBER 30, 2024)

	2025			2024 Total
	Without Donor Restrictions	With Donor Restrictions	Total	
<b>Revenue</b>				
Contributions	\$ 15,099,296	\$ 72,043	\$ 15,171,339	\$ 7,490,691
Grants	1,100,000	7,002,610	8,102,610	5,874,484
Publication subscriptions	777,836	-	777,836	845,775
List rental revenue	41,308	-	41,308	57,362
Net investment income	2,349,048	149,162	2,498,210	5,438,477
Court awards	211,175	-	211,175	230,390
Other	1,142	-	1,142	306
Change in value of charitable gift annuities	(99,011)	-	(99,011)	(32,689)
Net assets released from restrictions	<u>6,651,124</u>	<u>(6,651,124)</u>	<u>-</u>	<u>-</u>
Total revenue	<u>26,131,918</u>	<u>572,691</u>	<u>26,704,609</u>	<u>19,904,796</u>
<b>Expenses</b>				
Program				
Public Information and Education	3,563,433	-	3,563,433	2,512,081
Publications	1,275,919	-	1,275,919	1,421,090
Health Research Group	1,227,951	-	1,227,951	1,188,350
Litigation Group	2,346,724	-	2,346,724	1,900,120
Congress Watch	325,150	-	325,150	2,437,039
Access to Medicines	761,510	-	761,510	686,566
Global Trade Watch	192,420	-	192,420	338,564
Energy Program	4,093,335	-	4,093,335	3,417,284
PC Texas	1,110,573	-	1,110,573	1,611,418
Total program	<u>14,897,015</u>	<u>-</u>	<u>14,897,015</u>	<u>15,512,512</u>
Supporting				
Management and general	1,373,689	-	1,373,689	1,110,900
Fundraising	1,530,317	-	1,530,317	1,122,462
Total supporting	<u>2,904,006</u>	<u>-</u>	<u>2,904,006</u>	<u>2,233,362</u>
Total expenses	<u>17,801,021</u>	<u>-</u>	<u>17,801,021</u>	<u>17,745,874</u>
<b>Change in net assets</b>	8,330,897	572,691	8,903,588	2,158,922
<b>Net assets</b>				
Beginning of year	<u>26,560,415</u>	<u>5,197,520</u>	<u>31,757,935</u>	<u>29,599,013</u>
End of year	<u>\$ 34,891,312</u>	<u>\$ 5,770,211</u>	<u>\$ 40,661,523</u>	<u>\$ 31,757,935</u>

See accompanying notes to financial statements.

# PUBLIC CITIZEN FOUNDATION, INC.

## STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED SEPTEMBER 30, 2025  
(WITH COMPARATIVE TOTALS FOR YEAR ENDED SEPTEMBER 30, 2024)

	Program										Supporting			2025 Total	2024 Total
	Public Information and Education	Publications	Health Research Group	Litigation Group	Congress Watch	Access To Medicines	Global Trade Watch	Energy Program	PC Texas	Total Program	Management and General	Fundraising	Total Supporting		
Salaries	\$ 1,455,669	\$ 159,822	\$ 883,178	\$ 1,639,424	\$ 189,737	\$ 451,737	\$ 122,806	\$ 2,624,483	\$ 395,618	\$ 7,922,474	\$ 492,790	\$ 355,216	\$ 848,006	\$ 8,770,480	\$ 8,400,177
Payroll taxes and employee benefits	431,015	51,433	237,861	400,359	48,091	115,005	29,599	704,915	141,317	2,159,595	169,444	105,020	274,464	2,434,059	2,358,459
Bank charges	17,400	13,617	-	435	-	-	-	-	-	31,452	33,626	34,882	68,508	99,960	54,095
Caging and database maintenance	12,100	32,261	-	-	-	-	-	-	-	44,361	11,487	24,257	35,744	80,105	80,528
Consulting and professional services	695,072	246,605	-	21,157	5,424	31,072	-	99,159	82,070	1,180,559	256,047	120,394	376,441	1,557,000	1,362,126
Contract labor	3,646	2,200	9,400	550	-	-	-	-	-	15,796	27,487	4,302	31,789	47,585	32,951
Depreciation and amortization	-	-	-	-	-	-	-	-	-	-	104,683	-	104,683	104,683	110,518
Fees, licenses and taxes	1,379	589	-	7,992	3,949	-	2,549	7	-	16,465	147,347	2,416	149,763	166,228	187,694
Grant distribution	179,500	-	-	-	33,100	90,000	10,000	289,570	384,924	987,094	-	-	-	987,094	2,205,297
Insurance	-	-	-	-	-	-	-	-	-	-	38,822	-	38,822	38,822	36,739
List rental cost	43,896	17,144	-	-	-	-	-	-	-	61,040	41,674	88,000	129,674	190,714	64,546
Mail house	56,284	66,438	-	-	-	-	-	-	-	122,722	53,436	112,836	166,272	288,994	187,372
Meeting fees/conference	34,064	-	115	635	1,063	11,666	316	3,908	5,055	56,822	6,220	13,134	19,354	76,176	33,196
Miscellaneous	3,899	1,219	17,934	13,270	67	2,772	-	9,187	608	48,956	10,757	2,607	13,364	62,320	57,943
Office supplies	2,642	-	979	1,070	419	37	62	-	4,249	9,458	61,193	381	61,574	71,032	72,890
Postage and shipping	152,169	252,288	33	1,978	3,812	229	-	22	9	410,540	144,369	304,852	449,221	859,761	761,394
Printing and publications	141,769	411,208	-	10,144	-	435	-	2,441	-	565,997	112,317	237,170	349,487	915,484	632,752
Public relations/advertising	4,678	-	-	-	-	-	-	41,960	742	47,380	-	-	-	47,380	231,459
Reference materials	88,633	5,676	4,602	79,735	3,507	672	-	30,660	1,934	215,419	9,159	3,960	13,119	228,538	208,351
Rent	3,158	-	-	-	-	-	-	-	48,667	51,825	-	-	-	51,825	51,882
Repairs and maintenance	2,875	-	-	164	3,529	-	2,278	-	-	8,846	162,162	-	162,162	171,008	127,374
Software maintenance	17,752	-	3,063	-	-	-	-	-	-	20,815	152,274	32,796	185,070	205,885	149,872
Special events	20,036	-	-	-	-	-	-	-	-	20,036	19,022	40,168	59,190	79,226	90,213
Telephone	1,907	-	-	498	498	174	653	2,301	-	6,031	28,096	2,559	30,655	36,686	35,651
Travel	55,413	134	245	4,717	1,164	17,738	9,147	56,241	3,056	147,855	5,539	11,838	17,377	165,232	146,063
Utilities	-	-	-	-	1,398	-	902	-	-	2,300	62,444	-	62,444	64,744	66,332
Allocation of common costs	138,477	15,285	70,541	164,596	29,392	39,973	14,108	228,481	42,324	743,177	(776,706)	33,529	(743,177)	-	-
<b>Total expenses</b>	<b>\$ 3,563,433</b>	<b>\$ 1,275,919</b>	<b>\$ 1,227,951</b>	<b>\$ 2,346,724</b>	<b>\$ 325,150</b>	<b>\$ 761,510</b>	<b>\$ 192,420</b>	<b>\$ 4,093,335</b>	<b>\$ 1,110,573</b>	<b>\$ 14,897,015</b>	<b>\$ 1,373,689</b>	<b>\$ 1,530,317</b>	<b>\$ 2,904,006</b>	<b>\$ 17,801,021</b>	<b>\$ 17,745,874</b>

See accompanying notes to financial statements.



**PUBLIC CITIZEN FOUNDATION, INC.**

STATEMENT OF CASH FLOWS

YEAR ENDED SEPTEMBER 30, 2025  
(WITH COMPARATIVE AMOUNTS FOR YEAR ENDED SEPTEMBER 30, 2024)

	<u>2025</u>	<u>2024</u>
<b>Cash flows from operating activities</b>		
Contributions received	\$ 15,445,473	\$ 7,152,871
Grants received	7,637,610	6,789,484
Publication subscriptions received	661,894	899,171
List rental income received	41,308	57,362
Investment income received	851,776	682,050
Court awards received	211,175	230,390
Other operating receipts	1,142	306
Payments to vendors, suppliers, employees, and Public Citizen, Inc.	<u>(17,663,196)</u>	<u>(18,320,986)</u>
Net cash provided by (used for) operating activities	<u>7,187,182</u>	<u>(2,509,352)</u>
<b>Cash flows from investing activities</b>		
Purchases of investments	(21,434,884)	(18,422,412)
Proceeds from sales of investments	16,753,342	20,687,948
Purchases of property and equipment	<u>(56,219)</u>	<u>-</u>
Net cash (used for) provided by investing activities	<u>(4,737,761)</u>	<u>2,265,536</u>
<b>Cash flows from financing activities</b>		
Liabilities assumed under charitable gift annuities	618,979	390,807
Payments to charitable gift annuitants	<u>(306,791)</u>	<u>(235,192)</u>
Net cash provided by financing activities	<u>312,188</u>	<u>155,615</u>
<b>Net change in cash and cash equivalents</b>	2,761,609	(88,201)
<b>Cash and cash equivalents</b>		
Beginning of year	<u>1,028,798</u>	<u>1,116,999</u>
End of year	<u>\$ 3,790,407</u>	<u>\$ 1,028,798</u>

See accompanying notes to financial statements.



## PUBLIC CITIZEN FOUNDATION, INC.

### NOTES TO FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2025

#### NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**Organization** - Public Citizen Foundation, Inc. (PCF) was founded in 1982 and is a nonprofit citizen research and educational organization. PCF is based in Washington, D.C. 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.

**Basis of Accounting** - PCF reports on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Under this basis, revenue is recognized when earned and expenses are recognized when incurred.

**Financial Statement Presentation** - Financial statement presentation follows the recommendations of U.S. generally accepted accounting principles in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic, *Not-for-Profit Entities - Presentation of Financial Statements*. Under those principles, the PCF is required to report information regarding its financial position and activities according to two classes of net assets - net assets without donor restrictions and net assets with donor restrictions.

**Classification of Net Assets** - The net assets of PCF are reported as follows:

*Net assets without donor restrictions* - These net assets are available to finance the general operations of PCF. The only limits on the use of net assets without donor restrictions are the broad limits resulting from the nature of PCF, the environment in which it operates, and the purposes specified in its organizing documents.

*Net assets with donor restrictions* - These net assets result from contributions and other inflows of assets, the use of which by PCF is limited by donor-imposed time or purpose restrictions that are either temporary or perpetual. Net assets with temporary donor restrictions are specifically restricted by donors or grantors for various programs, or for general support in a future period.

Net assets with perpetual donor restrictions consist of assets whose use is limited by donor-imposed restrictions that neither expire by the passage of time nor can be fulfilled or otherwise removed by action of PCF. The restrictions stipulate that resources be maintained permanently but permit PCF to expend income generated in accordance with the provisions of the agreement.



## NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

PCF accounts for income tax uncertainties in accordance with the ASC Topic *Income Taxes*. For the years ended September 30, 2025 and 2024, PCF performed an evaluation of all tax positions taken and determined there were no matters that require recognition or disclosure in the financial statements.

PCF'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** - Cash consists of monies held in checking and money market accounts, except for money market funds held in charitable gift annuity investment accounts. Cash equivalents are all highly liquid, short-term investments with initial maturities of three months or less when purchased.

**Investments** - PCF reports investments at fair value, which generally consist of amounts invested in money market funds, certificates of deposit, government securities, equities, and mutual and exchange-traded funds. Income earned is derived from interest, dividends and changes in fair value. Purchases and sales of securities are recognized on a trade-date basis. Interest income is recognized on the accrual basis. Dividends are recognized on the ex-dividend date. Unrealized gains (losses) resulting from increases (decreases) in fair value of securities held as well as the net realized gains (losses) arising from sales of securities are included in investment income. Investment income is reported in the statement of activities net of all external and direct internal investment expenses. Investments held for current operating needs are classified as short-term investments.

**Accounts Receivable** - Accounts receivable consists primarily of amounts due from court awards, list rentals and reimbursements which were not received by PCF at year-end. The management of PCF 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 Receivable** - Grants receivable consists primarily of amounts due from organization grants and individual pledges that were not received by PCF at year end. The management of PCF 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.

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



## NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**Property and Equipment** - PCF capitalizes all property and equipment acquisitions of \$2,500 and above. Property and equipment are carried at cost, if purchased, or at fair 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<sup>th</sup> is reported as deferred subscription revenue.

**Charitable Gift Annuities** - PCF 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 PCF in exchange for a promise by PCF 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 in the statement of activities. The assets held for all charitable gift annuities are reported as charitable gift annuity investments in the statements of financial position and are reported 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. PCF invests the charitable gift annuities in accordance with relevant state laws.

As of September 30, 2025 and 2024, the total assets, at fair value, were approximately \$5,156,000 and \$4,177,000, respectively. The actuarial present value of PCF's liability under all charitable gift annuities was approximately \$2,240,000 as of September 30, 2025, and \$1,829,000 as of September 30, 2024, and was computed using discount rates ranging from 0.4% to 5.8%. PCF is required to maintain a reserve of 110% of the annuity liability for Tennessee and Washington State participants and 115% for New York State participants.

**Revenue Recognition** - Revenue is derived from both exchange transactions and contribution transactions. Revenue from exchange transactions is recognized when control of promised goods or services is transferred to PCF's customers, in an amount that reflects the consideration they expect to be entitled to in exchange for those goods or services. All goods and services are transferred at a point in time. Payments are generally required in advance and are reported as deferred revenue until the related revenue is recognized. Unconditional contributions are recognized upon receipt of cash or other assets, or when a donor promises to transfer cash or other assets in the future. Conditional promises to give, that is, those with a measurable performance obligation or other barrier and a right of return or release, are not recognized until the conditions on which they depend have been substantially met.



## NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**Revenue from Exchange Transactions** - Revenue from publication subscriptions is recognized as each publication is circulated. Revenue from list rentals is recognized as the list is made available to a customer.

**Contributions** - Contributions received are reported as increases in net assets without donor restrictions unless received with donor stipulations that require the assets be used for specific purposes or in specific time periods. All donor-restricted contributions are reported as an increase in net assets with donor restrictions. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

**Grants and Similar Agreements** - Most grant agreements are accounted for as contribution transactions. When an agreement includes both a barrier and either a right of return of assets to the resource provider or a right of release from obligation by the resource provider, the contribution is considered to be conditional. Amounts received under conditional transfers are reported as a liability (refundable advance) and recognized as contribution revenue only when the conditions are met.

**Contributed Nonfinancial Assets** - Contributed nonfinancial assets are recognized if they create or enhance a nonfinancial asset, or if the services require specialized skills, are provided by individuals possessing those skills, and would have to be purchased if they were not contributed to PCF. Contribution revenue is recognized at the fair value of the nonfinancial asset created or enhanced, or at the fair value of the donated services, whichever is applicable. For the years ended September 30, 2025 and 2024, PCF received no donated services.

**Bequests** - PCF, if informed that it has been named beneficiary under certain wills, does not include bequest amounts in the financial statements relating to potential distributions if they may be revoked or amended during the makers' lifetimes. The donation is recognized once the will has gone through probate and PCF has been notified of the award.

**Functional Allocation of Expenses** - The costs of providing the various programs and supporting activities of PCF have been summarized on a functional basis in the statements of activities and of functional expenses. Costs that can be specifically identified with a final cost objective are charged directly to that activity. Other costs are allocated among the program and supporting services benefited based on management's best estimates. Salaries and related fringe benefits are allocated based on employee time and effort studies. Information technology costs are allocated based on the relative benefit of related activity use. Other common costs such as occupancy, depreciation and related infrastructure costs are allocated based on employee time and effort studies.



## NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**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, 2024. 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 PCF's financial statements for the year ended September 30, 2024, from which the summarized information was derived.

## NOTE 2. DESCRIPTION OF PROGRAM SERVICES

**Public Information and Education** - PCF is active in every public forum: Congress, the courts, government agencies, and the news media. PCF believes that full disclosure of government information empowers citizens and consumers. All of PCF'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, PCF uses the courts to ensure fair access to information.

**Publications** - PCF 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 in federal and state courts across the country. 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.



## NOTE 2. DESCRIPTION OF PROGRAM SERVICES (CONTINUED)

**Access to Medicines** - Public Citizen's Access to Medicines group works with partners worldwide to improve health outcomes and save lives, through use of pharmaceutical cost-lowering measures including generic competition. They help civil society groups and public agencies overcome patent-based and other drug monopolies. Their work challenges Big Pharma's economic and political power.

**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.

**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 3. LIQUIDITY AND AVAILABILITY OF FINANCIAL RESOURCES

As part of the PCF's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. The PCF's financial assets available within one year to meet cash needs for general expenditures as of September 30, 2025 and 2024, respectively, are as follows:

	<u>2025</u>	<u>2024</u>
Total assets at end of year	\$ 44,968,379	\$ 35,761,953
Less: nonfinancial assets		
Prepaid expenses	(69,314)	(47,758)
Net property and equipment	<u>(2,083,248)</u>	<u>(2,131,711)</u>
Total financial assets at year-end	42,815,817	33,582,484
Less: amounts unavailable for general expenditures within one year		
Grants receivable due in more than one year	(690,000)	-
Amounts subject to donor restrictions	(5,080,211)	(5,197,520)
Investments held to fund charitable gift annuities	<u>(5,155,555)</u>	<u>(4,176,844)</u>
Financial assets available to fund general expenditures within one year	<u>\$ 31,890,051</u>	<u>\$ 24,208,120</u>



## NOTE 4. INVESTMENTS

Investments as of September 30, 2025 and 2024 and net investment income for the years then ended consisted of the following:

	<u>2025</u>	<u>2024</u>
Investments at year-end		
Money market funds	\$ 307,800	\$ 307,064
Exchange traded funds	12,027,397	9,770,005
Mutual funds	7,056,255	7,925,113
U.S. Government securities	18,189,420	12,910,396
Common stock	<u>31,984</u>	<u>164,773</u>
Total investments	<u>\$ 37,612,856</u>	<u>\$ 31,077,351</u>
Net investment income		
Interest and dividends	\$ 873,185	\$ 747,284
Net appreciation	1,853,963	4,898,102
Investment fees	<u>(228,938)</u>	<u>(206,909)</u>
Net investment income	<u>\$ 2,498,210</u>	<u>\$ 5,438,477</u>

## NOTE 5. FAIR VALUE MEASUREMENTS

Accounting standards provide the framework for measuring fair value which provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy are described as follows:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that PCF has the ability to access.

Level 2 Inputs to the valuation methodology include other significant observable inputs including:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability; and
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

## NOTE 5. FAIR VALUE MEASUREMENTS (CONTINUED)

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

Following are descriptions of the valuation methodologies used for assets and liabilities measured at fair value. There have been no changes in the methodologies used at September 30, 2025 and 2024.

*Certificates of deposit:* Approximates fair value because the instruments are liquid in nature and have short-term maturities.

*Mutual funds:* Mutual funds are valued at the net asset value that represents the market value of the assets less liabilities. Assets valued at net asset value are reported on the active market on which the individual securities are traded.

*Money market funds, U.S. Government securities, common stock and exchange traded funds:* Valued at the closing price reported on the active market on which the individual securities or funds are traded.

*Charitable gift annuities:* 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 following tables present PCF's assets and liabilities measured at fair value on a recurring basis as of September 30, 2025 and 2024, and the changes in fair value of liabilities measured using Level 3 inputs during the years then ended:

	September 30, 2025			
	Total	Level 1	Level 2	Level 3
<b>Assets</b>				
Money market funds	\$ 307,800	\$ 307,800	\$ -	\$ -
Exchange traded funds	12,027,397	12,027,397	-	-
Mutual funds	7,056,255	7,056,255	-	-
U.S. Government securities	18,189,420	18,189,420	-	-
Common stock	31,984	31,984	-	-
Total assets	<u>\$ 37,612,856</u>	<u>\$ 37,612,856</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Liabilities</b>				
Charitable gift annuities	<u>\$ 2,239,766</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,239,766</u>
<b>Changes in value using Level 3 inputs</b>				
Balance, beginning of year				\$ 1,828,567
Additional charitable gift annuities				618,979
Change in value of charitable gift annuities				99,011
Payments to charitable gift annuitants				<u>(306,791)</u>
Balance, end of year				<u>\$ 2,239,766</u>

## NOTE 5. FAIR VALUE MEASUREMENTS (CONTINUED)

	September 30, 2024			
	Total	Level 1	Level 2	Level 3
<b>Assets</b>				
Money market funds	\$ 307,064	\$ 307,064	\$ -	\$ -
Exchange traded funds	9,770,005	9,770,005	-	-
Mutual funds	7,925,113	7,925,113	-	-
U.S. Government securities	12,910,396	12,910,396	-	-
Common stock	<u>164,773</u>	<u>164,773</u>	-	-
Total assets	<u>\$ 31,077,351</u>	<u>\$ 31,077,351</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Liabilities</b>				
Charitable gift annuities	<u>\$ 1,828,567</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,828,567</u>
<b>Changes in value using Level 3 inputs</b>				
Balance, beginning of year				\$ 1,640,263
Additional charitable gift annuities				390,807
Change in value of charitable gift annuities				32,689
Payments to charitable gift annuitants				<u>(235,192)</u>
Balance, end of year				<u>\$ 1,828,567</u>

## NOTE 6. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions at September 30, 2025 and 2024 were available for the following programs:

	2025	2024
<b>Net assets with donor restrictions</b>		
Congress Watch	\$ 344,736	\$ 381,072
Energy Program	1,101,794	1,392,958
Essay Contest Fund	126,965	128,427
Global Trade Watch	180,493	141,822
Health Research Group	300,000	400,000
Lang Endowment	1,063,163	989,157
Morrison Fellowship Fund	427,608	448,661
PC Texas	510,803	742,148
Access to Medicines	244,861	32,976
Phyllis McCarthy Fund	25,479	24,699
Public Information and Education	746,215	429,424
Sophia Wolfe Teacher Award Fund	98,094	86,176
Time restrictions - general support	<u>600,000</u>	<u>-</u>
Total net assets with donor restrictions	<u>\$ 5,770,211</u>	<u>\$ 5,197,520</u>



## NOTE 6. NET ASSETS WITH DONOR RESTRICTIONS (CONTINUED)

For the year ended September 30, 2025, net assets were released from donor restrictions by incurring expenses satisfying the purpose restrictions specified by donors as follows:

Net assets released from donor restrictions	
Congress Watch	\$ 476,579
Essay Contest Fund	6,500
Energy program	2,945,774
Global Trade Watch	336,329
Health Research Group	100,000
Lang Endowment	40,000
Litigation Group	75,000
Morrison Fellowship Fund	114,516
PC Texas	970,845
Access to Medicines	160,115
Public Information and Education	<u>1,425,466</u>
Total net assets released from donor restrictions	<u>\$ 6,651,124</u>

## NOTE 7. CONTRACT BALANCES

The timing of billings, cash collections, and revenue recognition result in contract assets and contract liabilities associated with revenue from exchange transactions. Contract assets consist entirely of trade accounts receivable, which are recognized only to the extent it is probable that PCF will collect substantially all of the consideration to which they are entitled in exchange for the goods or services that will be or have been transferred. Contract liabilities consist entirely of deferred revenue that results when they receive advance payments from customers before revenue is recognized. Balances in these accounts as of the beginning and end of the years ended September 30, 2025 and 2024 are as follows:

	<u>2025</u>	<u>2024</u>	<u>2023</u>
Accounts receivable	<u>\$ 72,510</u>	<u>\$ 96,644</u>	<u>\$ 8,824</u>
Deferred subscription revenue	<u>\$ 1,050,228</u>	<u>\$ 1,166,170</u>	<u>\$ 1,112,774</u>

## NOTE 8. ENDOWMENT FUNDS

PCF's endowment consists of donor-restricted funds established to provide for the long-term support of PCF and its programs. As required by U.S. generally accepted accounting principles, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions. The Board of Directors has interpreted the Uniform Prudent Management of Institutional Funds Act

## NOTE 8. ENDOWMENT FUNDS (CONTINUED)

(UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, PCF classifies as net assets with perpetual donor restrictions (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

The remaining portion of the donor-restricted endowment funds that are not classified in net assets with perpetual donor restrictions is classified as net assets with temporary donor restrictions until those amounts are appropriated for expenditure by the organization in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, PCF considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the funds;
- The purpose of PCF and the donor-restricted endowment funds;
- General economic conditions and the possible effect of inflation and deflation;
- The expected total return from income and the appreciation of investments;
- Investment policies of PCF; and
- Other resources of PCF.

As of September 30, 2025, the donor-restricted endowment funds were \$979,704 and the earnings related to donor-restricted endowment funds were \$83,459. Changes in endowment net assets for the year ended September 30, 2025:

	2025		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	\$ -	\$ 989,157	\$ 989,157
Contributions	-	-	-
Investment return			
Interest income, net of fees	-	20,873	20,873
Net appreciation (realized and unrealized)	-	93,133	93,133
Total investment return	-	114,006	114,006
Appropriation of endowment earnings for expenditure	-	(40,000)	(40,000)
Endowment net assets, end of year	\$ -	\$ 1,063,163	\$ 1,063,163



## NOTE 8. ENDOWMENT FUNDS (CONTINUED)

### ***Return Objectives and Risk Parameters***

PCF has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that PCF must hold in perpetuity or for a donor-specified period(s). Under this policy, as approved by the Board of Directors, the endowment assets are invested in a manner that is intended to produce results that exceed the price and yield results of key benchmarks while assuming a moderate level of investment risk. PCF's objective is that total investment returns shall exceed the U.S. Consumer Price Index. Actual experience in any given year may vary from this amount.

### ***Strategies Employed for Achieving Objectives***

To satisfy its long-term rate-of-return objectives, PCF relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yields (interest and dividends) utilizing a strategy of fixed income, equities and cash equivalents in a mix conducive to participation in rising markets and allowing for protection in falling markets within prudent risk constraints. In addition, PCF utilizes the services of experienced investment managers to achieve its objectives.

### ***Spending Policy and How the Investment Objectives Relate to Spending Policy***

The spending rate policy will be a minimum of four percent (4%). However, should the value of the Endowment Funds ever drop below the funds' corpus, all spending shall be suspended until such time that the value of the funds exceeds the funds' corpus. The spending rate will be reviewed periodically by the Finance Committee prior to the preparation of the budget and adjusted as appropriate and recommended to the Executive Board for approval.

## NOTE 9. JOINT COST ALLOCATION

PCF incurred joint costs of \$3,018,375 in the year ended September 30, 2025 for informational materials and other activities that included fundraising appeals. The costs were allocated as follows:

Program	\$ 763,347
Management and general	724,712
Fundraising	<u>1,530,316</u>
Total	<u>\$ 3,018,375</u>



## **NOTE 10. COLLECTIVE BARGAINING AGREEMENT**

The employees of PCF 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. PCF's management and SEIU ratified a new collective bargaining agreement (the Agreement) in April 2025. The Agreement is in effect until September 30, 2027.

## **NOTE 11. PENSION PLANS**

PCF and its affiliate PCI maintain an Internal Revenue Code Section 401(k) plan (the 401(k) Plan). The 401(k) Plan requires PCF to make a safe harbor contribution equal to 3% of the total compensation for all eligible employees. In addition, during fiscal year ended September 30, 2025, PCF made an additional 2% discretionary contribution. Pension expense for the year ended September 30, 2025 was approximately \$364,000.

## **NOTE 12. RELATED PARTY TRANSACTIONS**

PCF is affiliated with Public Citizen, Inc. (PCI), a nonprofit organization exempt under Section 501(c)(4) of the IRC. PCF and PCI are under common control. As such, the financial position and activities of PCF and PCI are presented in separately issued combined financial statements as of and for the year ended September 30, 2025. PCF and PCI share certain resources, incurring costs on behalf of each other. These costs are reviewed on a regular basis and reimbursed consistently throughout the year. Amounts due to/(due from) PCI were \$138,008 and \$(276,056) as of September 30, 2025 and 2024, respectively.

## **NOTE 13. CONCENTRATIONS**

PCF 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, 2025, approximately 83% of PCI's employees are members of SEIU, Local 500 AFL-CIO.

## **NOTE 14. SUBSEQUENT EVENTS**

Subsequent events have been evaluated through March 5, 2026, which is the date the financial statements were available to be issued. This review and evaluation revealed no material event or transaction requiring adjustment to or disclosure in the accompanying financial statements.