



# Patient Advocate Foundation

## Financial Report

June 30, 2025

# Patient Advocate Foundation

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## Independent Auditor's Report

To the Board of Directors of  
Patient Advocate Foundation  
Hampton, Virginia

### Report on the Audit of the Financial Statements

#### *Opinion*

We have audited the accompanying financial statements of Patient Advocate Foundation (a nonprofit organization), which comprise the statements of financial position as of June 30, 2025 and 2024, and the related statements of activities, functional expenses, and cash flows for the years then ended, 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 Patient Advocate Foundation as of June 30, 2025 and 2024, and the changes in its net assets and its functional expenses and cash flows for the years then ended 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Patient Advocate Foundation 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 opinions.

#### *Responsibilities of Management 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, 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 Patient Advocate Foundation'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 Responsibility for the Audit 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 and *Government 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 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 and *Government 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 Patient Advocate Foundation'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 Patient Advocate Foundation'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.

## *Other Matters*

Note 3 to the financial statements includes non-financial program descriptions and has been designated as unaudited. Management is responsible for this information. In connection with our audit, our responsibility is to read this non-financial information and consider whether a material inconsistency exists between the unaudited non-financial information and the financial statements. If a material inconsistency exists, we are required to describe it in our report.

## *Supplementary Information*

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, (Uniform Guidance) is presented for purposes of additional analysis and is not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the financial statements as a whole.

## **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated January 8, 2026, on our consideration of Patient Advocate Foundation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Patient Advocate Foundation's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Patient Advocate Foundation's internal control over financial reporting and compliance.

*Brown, Edwards & Company, S.C.P.*

CERTIFIED PUBLIC ACCOUNTANTS

Newport News, Virginia

October 29, 2025, except for the Compliance Section, including the Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*, and the Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by Uniform Guidance, as to which the date is January 8, 2026.



# Financial Statements

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# Patient Advocate Foundation

## Statements of Financial Position

June 30, 2025 and 2024

	<u>2025</u>	<u>2024</u>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
General operating cash and cash equivalents	\$ 24,271,702	\$ 14,546,938
Restricted cash and cash equivalents	116,669,908	184,355,850
Unconditional promises to give (Note 6)	7,805,498	17,034,563
Accounts receivable (Note 7)	2,400,830	2,463,308
Interest receivable	442,371	643,055
Due from National Patient Advocate Foundation (Note 8)	66	34,034
Investments (Note 9)	72,426,647	82,333,096
Inventories	65,389	93,296
Prepaid expenses	533,719	644,034
Total current assets	224,616,130	302,148,174
PROPERTY AND EQUIPMENT, net (Note 10)	4,725,927	5,367,177
RIGHT-OF-USE ASSET - OPERATING LEASE (Note 11)	5,067,270	5,602,912
OTHER ASSETS	50,331	50,331
	<u>\$ 234,459,658</u>	<u>\$ 313,168,594</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued expenses	\$ 2,314,516	\$ 5,072,565
Due to National Patient Advocate Foundation (Note 8)	-	9,950
Postretirement benefits liability, current portion (Note 12)	78,073	68,311
Deferred revenue (Note 7)	14,960,146	18,360,154
Accrued vacation leave	649,686	602,378
Operating lease liability - current portion (Note 11)	537,139	519,112
Total current liabilities	18,539,560	24,632,470
<b>LONG-TERM LIABILITIES</b>		
Postretirement benefits liability, less current portion (Note 12)	2,100,195	2,047,391
Incurred but not recorded liabilities (Note 13)	98,000	79,000
Operating lease liability, less current portion (Note 11)	4,697,287	5,235,810
Total long-term liabilities	6,895,482	7,362,201
Total liabilities	25,435,042	31,994,671
<b>NET ASSETS WITHOUT DONOR RESTRICTIONS</b>		
Undesignated	33,564,803	32,620,605
Board designated (Notes 14 and 18)	2,426,647	2,333,096
Total net assets without donor restrictions	35,991,450	34,953,701
<b>NET ASSETS WITH DONOR RESTRICTIONS (Note 15)</b>		
Total net assets	173,033,166	246,220,222
Total liabilities and net assets	<u>\$ 234,459,658</u>	<u>\$ 313,168,594</u>

# Patient Advocate Foundation

## Statements of Activities

Years Ended June 30, 2025 and 2024

	2025			2024		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<b>OPERATING REVENUES</b>						
Contributions:						
Grants and scholarships	\$ 4,230,784	\$ 102,946,906	\$ 107,177,690	\$ 3,195,787	\$ 209,100,776	\$ 212,296,563
Private and public donations	283,394	-	283,394	363,846	-	363,846
Donated services (Note 16)	800	-	800	-	-	-
Donated materials (Note 16)	-	34,014	34,014	-	19,695	19,695
Program administration	17,214,313	-	17,214,313	18,199,957	-	18,199,957
Patient Insight Congress	16,891	-	16,891	71,786	-	71,786
Promise of Hope	110,180	-	110,180	86,370	-	86,370
Patient Action Council	50,000	-	50,000	50,000	-	50,000
Investment return, net	9,006,214	-	9,006,214	12,545,181	-	12,545,181
Net assets released from restrictions:						
Satisfaction of program restrictions (Note 15)	176,167,976	(176,167,976)	-	240,818,971	(240,818,971)	-
Total revenues	207,080,552	(73,187,056)	133,893,496	275,331,898	(31,698,500)	243,633,398
<b>OPERATING EXPENSES</b>						
Program services:						
Patient/educational services	8,207,919	-	8,207,919	7,719,040	-	7,719,040
Financial aid programs	184,979,625	-	184,979,625	254,274,596	-	254,274,596
Service contracts	8,683,714	-	8,683,714	7,938,964	-	7,938,964
Supporting services:						
Management and general	2,406,649	-	2,406,649	3,019,639	-	3,019,639
Fundraising	1,686,714	-	1,686,714	1,399,746	-	1,399,746
Total expenses	205,964,621	-	205,964,621	274,351,985	-	274,351,985
Change in net assets from operations	1,115,931	(73,187,056)	(72,071,125)	979,913	(31,698,500)	(30,718,587)
<b>OTHER NONOPERATING CHANGES</b>						
Postretirement benefit changes other than periodic cost (Note 12)						
Change in net assets	(78,182)	-	(78,182)	99,549	-	99,549
NET ASSETS						
Beginning of year	34,953,701	246,220,222	281,173,923	33,874,239	277,918,722	311,792,961
End of year	<b>\$ 35,991,450</b>	<b>\$ 173,033,166</b>	<b>\$ 209,024,616</b>	<b>\$ 34,953,701</b>	<b>\$ 246,220,222</b>	<b>\$ 281,173,923</b>

The Notes to Financial Statements are an integral part of these statements.

# Patient Advocate Foundation

## Statement of Functional Expenses

Year Ended June 30, 2025

	Program Services				Supporting Services			Total Functional Expenses
	Patient/ Educational Services	Financial Aid Programs	Service Contracts	Total Program Expenses	Management and General	Fundraising	Total Supporting Services	
Salaries and related expenses:								
Employee insurance	\$ 588,784	\$ 697,363	\$ 674,798	\$ 1,960,945	\$ 89,518	\$ 62,439	\$ 151,957	\$ 2,112,902
Employee retirement (Note 17)	180,637	89,727	156,501	426,865	35,082	41,996	77,078	503,943
Payroll taxes	311,133	366,693	366,693	1,044,519	63,471	75,990	139,461	1,183,980
Salaries	4,592,420	5,412,495	5,412,495	15,417,410	960,543	1,149,806	2,110,349	17,527,759
Total salaries and related expenses	5,672,974	6,566,278	6,610,487	18,849,739	1,148,614	1,330,231	2,478,845	21,328,584
Accounting fees	-	23,000	-	23,000	220,130	-	220,130	243,130
Bank fees and interest	-	110,160	-	110,160	66,941	8,806	75,747	185,907
Conferences, conventions and meetings	1,076,820	-	-	1,076,820	16,809	104,948	121,757	1,198,577
Consultants	8,700	8,500	-	17,200	150	-	150	17,350
Depreciation	302,883	655,153	751,924	1,709,960	5,156	5,194	10,350	1,720,310
Equipment rental and maintenance	385,853	392,393	395,497	1,173,743	26,471	42,509	68,980	1,242,723
Financial aid programs	-	176,139,541	-	176,139,541	-	-	-	176,139,541
Insurance	2,534	2,987	2,987	8,508	123,142	271	123,413	131,921
Legal fees	-	-	-	-	170,804	-	170,804	170,804
Marketing	58,938	7,000	-	65,938	-	9,601	9,601	75,539
Occupancy	203,406	239,729	239,729	682,864	21,794	21,793	43,587	726,451
Postage and shipping	11,046	213,025	161,790	385,861	3,202	496	3,698	389,559
Printing and publications	57,201	28,482	7,365	93,048	21,847	3,637	25,484	118,532
Processing services	17,666	317,902	242,132	577,700	-	-	-	577,700
Professional fees, NPAF (Note 8)	-	-	-	-	516,000	-	516,000	516,000
Property taxes	-	-	-	-	20,442	-	20,442	20,442
Recruiting	-	-	-	-	10,983	-	10,983	10,983
Scholarships	107,311	-	-	107,311	-	-	-	107,311
Staff meeting and incentives	24,815	9,923	10,549	45,287	1,544	6,268	7,812	53,099
Supplies	27,573	22,539	19,766	69,878	1,903	26,227	28,130	98,008
Telephone	202,151	238,250	238,250	678,651	21,661	21,659	43,320	721,971
Travel	48,048	4,763	3,238	56,049	9,056	105,074	114,130	170,179
Total functional expenses	<b>\$ 8,207,919</b>	<b>\$ 184,979,625</b>	<b>\$ 8,683,714</b>	<b>\$ 201,871,258</b>	<b>\$ 2,406,649</b>	<b>\$ 1,686,714</b>	<b>\$ 4,093,363</b>	<b>\$ 205,964,621</b>

# Patient Advocate Foundation

## Statement of Functional Expenses

Year Ended June 30, 2024

	Program Services				Supporting Services			Total Functional Expenses
	Patient/ Educational Services	Financial Aid Programs	Service Contracts	Total Program Expenses	Management and General	Fundraising	Total Supporting Services	
Salaries and related expenses:								
Employee insurance	\$ 367,475	\$ 523,540	\$ 510,259	\$ 1,401,274	\$ 98,814	\$ 48,885	\$ 147,699	\$ 1,548,973
Employee retirement (Note 17)	142,443	136,729	139,632	418,804	35,424	28,713	64,137	482,941
Payroll taxes	351,420	341,282	348,456	1,041,158	32,459	30,250	62,709	1,103,867
Salaries	4,642,869	4,862,727	4,854,570	14,360,166	1,144,505	966,924	2,111,429	16,471,595
Total salaries and related expenses	5,504,207	5,864,278	5,852,917	17,221,402	1,311,202	1,074,772	2,385,974	19,607,376
Accounting fees	-	27,500	-	27,500	210,650	-	210,650	238,150
Bank fees and interest	2,006	121,673	-	123,679	7,306	8,515	15,821	139,500
Conferences, conventions and meetings	138,869	-	-	138,869	3,101	95,922	99,023	237,892
Consultants	34,845	68,940	19,374	123,159	-	-	-	123,159
Depreciation	270,954	625,921	704,210	1,601,085	5,122	5,051	10,173	1,611,258
Donations	-	-	-	-	350	-	350	350
Equipment rental and maintenance	331,542	421,509	415,765	1,168,816	44,651	34,182	78,833	1,247,649
Financial aid programs	-	245,801,793	-	245,801,793	-	-	-	245,801,793
Grant expenses	729,809	-	-	729,809	-	-	-	729,809
Insurance	3,268	4,630	4,630	12,528	133,247	409	133,656	146,184
Legal fees	-	-	-	-	165,447	-	165,447	165,447
Loss on fixed assets disposal	3,967	5,617	5,617	15,201	827	496	1,323	16,524
Marketing	22,815	6,667	-	29,482	23,908	7,406	31,314	60,796
Occupancy	173,406	245,659	245,659	664,724	36,127	21,675	57,802	722,526
Postage and shipping	8,812	244,343	142,770	395,925	891	9,123	10,014	405,939
Printing and publications	26,770	24,660	9,027	60,457	22,783	6,864	29,647	90,104
Processing services	18,299	523,847	252,411	794,557	-	-	-	794,557
Professional fees, NPAF (Note 8)	-	-	-	-	980,000	-	980,000	980,000
Property taxes	-	-	-	-	23,537	-	23,537	23,537
Recruiting	-	-	-	-	9,777	-	9,777	9,777
Scholarships	112,500	-	-	112,500	-	-	-	112,500
Staff meeting and incentives	20,783	25,602	27,549	73,934	16,381	2,062	18,443	92,377
Supplies	23,880	21,247	18,457	63,584	13,427	19,034	32,461	96,045
Telephone	252,650	237,067	237,067	726,784	10,410	6,246	16,656	743,440
Travel	39,658	3,643	3,511	46,812	495	107,989	108,484	155,296
Total functional expenses	<u>\$ 7,719,040</u>	<u>\$ 254,274,596</u>	<u>\$ 7,938,964</u>	<u>\$ 269,932,600</u>	<u>\$ 3,019,639</u>	<u>\$ 1,399,746</u>	<u>\$ 4,419,385</u>	<u>\$ 274,351,985</u>

The Notes to Financial Statements are an integral part of this statement.

# Patient Advocate Foundation

## Statements of Cash Flows

Years Ended June 30, 2025 and 2024

	<u>2025</u>	<u>2024</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ (72,149,307)	\$ (30,619,038)
Adjustments to reconcile change in net assets to net cash and cash equivalents used in operating activities:		
Depreciation	1,720,310	1,611,258
Amortization of right-of-use asset - operating lease	692,988	521,128
Net realized and unrealized gain on investments	-	(10,872)
Loss on disposal of fixed assets	-	16,524
Net (increase) decrease in:		
Unconditional promises to give	9,229,065	(12,631,847)
Accounts receivable	62,478	541,607
Interest receivable	200,684	147,158
Due to/from National Patient Advocate Foundation	24,018	(21,062)
Inventories	27,907	(11,358)
Prepaid expenses	110,315	(216,848)
Net increase (decrease) in:		
Accounts payable and accrued expenses	(2,758,049)	250,230
Deferred revenue	(3,400,008)	(902,769)
Accrued vacation leave	47,308	(11,936)
Postretirement benefit liability	62,566	(119,188)
Incurred but not recorded liabilities	19,000	(89,495)
Operating lease liability	<u>(676,459)</u>	<u>(492,149)</u>
Net cash and cash equivalents used in operating activities	<u>(66,787,184)</u>	<u>(42,038,657)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisition of property and equipment	(1,080,443)	(1,518,959)
Purchases (sales) of investments	<u>9,906,449</u>	<u>(30,098,136)</u>
Net cash and cash equivalents provided by (used in) investing activities	<u>8,826,006</u>	<u>(31,617,095)</u>
Net decrease in cash and cash equivalents	<u>(57,961,178)</u>	<u>(73,655,752)</u>
<b>CASH AND CASH EQUIVALENTS</b>		
Beginning of year	198,902,788	272,558,540
End of year	<u><b>\$ 140,941,610</b></u>	<u><b>\$ 198,902,788</b></u>
<b>BALANCE SHEET PRESENTATION OF CASH AND CASH EQUIVALENTS</b>		
General operating cash and cash equivalents	\$ 24,271,702	\$ 14,546,938
Restricted cash and cash equivalents	<u>116,669,908</u>	<u>184,355,850</u>
	<u><b>\$ 140,941,610</b></u>	<u><b>\$ 198,902,788</b></u>

# Patient Advocate Foundation

## Notes to Financial Statements

June 30, 2025

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### Note 1 – Organization and Nature of Activities

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Patient Advocate Foundation (the “Foundation” or “PAF”) is a national nonprofit organization that seeks to safeguard patients through effective mediation assuring access to care, maintenance of employment and preservation of their financial stability relative to their diagnosis of life-threatening or debilitating diseases. The Foundation assists patients throughout the United States and is supported primarily through grant contributions, cooperative agreements, and service agreements with nonprofit organizations.

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### Note 2 – Summary of Significant Accounting Policies

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#### *Basis of Accounting*

The financial statements of the Foundation have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP).

#### *Basis of Presentation*

The financial statements report amounts separately by classes of net assets.

**Net assets without donor restrictions** are currently available at the discretion of the Board of Directors for use in the Foundation's operations. Included in the amounts without donor restrictions are Board-designated net assets. Board designated net assets consist of a portion of investment funds. The Board will determine how these investment funds will be utilized.

**Net assets with donor restrictions** are those stipulated by donors for specific purposes. When a donor restriction is satisfied by utilizing the funding for its intended purpose, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restriction.

#### *Estimates*

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Amounts reported in the financial statements may be affected by these estimates and assumptions. Actual results could differ from these estimates and assumptions.

#### *Program Service Revenue*

The Foundation has identified two categories of program service revenue subject to the principles of Accounting Standards Codification (ASC) Topic 606: program administration and service agreements (Patient Insight Congress and Patient Action Council).

#### Service Agreements

The Foundation has entered into various contracts with strategic nonprofit partners to serve as third-party administrators. The majority of the service agreement revenue is related to the execution of the responsibilities associated with the administration of the nonprofit partner's patient assistance programs. The Foundation recognizes revenue over time and is based upon a percentage rate applied to the total dollar amount of claims processed each month. Payment is due upon receipt of the monthly invoices. Accounts receivable consists of amounts expected to be collected from balances outstanding at year-end.

# Patient Advocate Foundation

## Notes to Financial Statements

June 30, 2025

### Administrative Fees

The Foundation earns administrative fees based on funds provided to qualified patients for Co-Pay Relief Funds and Financial Aid Programs contributed for specific diseases. The services the Foundation provides to the donors for these disease-specific programs are considered to be reciprocal in nature. The performance obligation is satisfied when patient reimbursement claims are processed, which releases donor restricted net assets for the individual programs. The rate is based on management's estimate of the future direct, indirect, and capital expenditure costs of administering the programs. The Foundation reassesses the rate at year-end to ensure no adjustments are needed to the rate used throughout the year to recognize revenue based on total financial assistance provided and total direct, indirect, and capital expenditure costs incurred.

### Contract Liabilities

Contract liabilities are included in deferred revenue on the accompanying statements of financial position and consist primarily of upfront payments received from partners for program revenue for which performance obligations are not yet satisfied. Deferred revenue is recognized as revenue when the associated performance obligation has been satisfied.

### *Contributions and Grants*

In accordance with ASC Topic 958-605, the Foundation evaluates whether a transfer of assets is: (1) an exchange transaction in which a resource provider is receiving commensurate value in return for the resources transferred or (2) a contribution. If the transfer of assets is determined to be an exchange transaction, the Foundation applies guidance under ASC Topic 606. If the transfer of assets is determined to be a contribution, the Foundation determines if the contribution is conditional based upon whether the agreement includes both of the following: (1) one or more barriers that must be overcome before the Foundation is entitled to the assets transferred and promised and (2) a right of return of assets transferred or a right of release of a promisor's obligation to transfer assets.

Contributions and grants, including donations of cash, in-kind contributions, and unconditional promises to give (pledges), are recognized as revenue when an unconditional promise to give has been made and are recorded as with donor restrictions or without donor restrictions, depending on the donor intent. Contributions that are restricted by the donor are reported as an increase in net assets with donor restrictions and released as the restriction is met. Conditional contributions are recognized when the conditions on which they depend are substantially met. Contributions are recorded at fair value, and in the case of pledges, are recorded at the present value of their estimated future cash flows.

All pledges are due within one year. Allowances are recorded for their estimated uncollectible contributions based on management's judgement, past collection experience and other relevant factors. At June 30, 2025, management considered all contribution receivable (unconditional promises to give) balances to be fully collectible.

### *Cash and Cash Equivalents*

The Foundation considers all highly liquid investments with original maturities of three months or less to be cash and cash equivalents.

### *Restricted Cash and Cash Equivalents*

Restricted cash and cash equivalents consist of funds earmarked for patient awards and financial aid by donors.

# Patient Advocate Foundation

## Notes to Financial Statements

June 30, 2025

### *Unconditional Promises to Give*

Unconditional promises to give consist primarily of donations from various donors to support the CoPay program. See Note 6 for further details.

### *Contributed Services and Materials*

Certain contributed services and materials are recorded as support and revenues at fair market value when determinable, otherwise at values indicated by the donor. Contributions of donated services that create or enhance nonfinancial assets or that require specialized skills are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation, are recorded at their fair values in the period received.

### *Investments*

Investments include certificate of deposits, money market funds, and marketable debt securities with readily determinable fair values, and are reported at their fair values in the statements of financial position. Changes in fair value of investments are determined based on cost and are recorded in the statements of activities in the period in which they occur. Investment returns, net of fees, restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire (either by passage of time or by use) in the reporting period in which the returns, net of fees, are recognized. Dividends and interest are recognized as earned.

### *Inventories*

Inventories, which consist of brochures and educational material, are valued at the lower of cost (first-in, first-out method) or net realizable value.

### *Property and Equipment*

It is the Foundation's policy to capitalize property and equipment over \$1,000. Lesser amounts are expensed. Purchased property and equipment are capitalized at cost. Donations of property and equipment are recorded as contributions at their estimated fair value. Such donations are reported as contributions without donor restrictions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as contributions with donor restrictions. Absent donor stipulations regarding how long those donated assets must be maintained, the Foundation reports expirations of donor restrictions when donated or acquired assets are placed in service as instructed by the donor. The Foundation reclassifies net assets with donor restrictions to net assets without donor restrictions at that time. Property and equipment is depreciated on the straight-line method over the following estimated useful lives:

Computers, software, and other assets	3 – 5 years
Furniture and fixtures	7 - 10 years
Office equipment	5 years
Leasehold improvements	15 - 39 years

### *Functional Expenses*

The Foundation's expenses are related to the performance of three functions: program services, management and general, and fundraising. The Foundation allocates its expenses on a functional basis among its various programs and supporting services in the statements of activities. Therefore, certain expenses have been allocated to programs and supporting services benefited based on full time employee equivalents. Salaries are allocated based on resources spent. Depending upon the staff member job description and duties, their time is allocated over programs, administrative and/or fundraising.

# Patient Advocate Foundation

## Notes to Financial Statements

June 30, 2025

### *Income Taxes*

The Foundation is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and the Commonwealth of Virginia Statutes; accordingly, the accompanying financial statements do not reflect a provision or liability for federal and state income taxes.

### *Advertising Costs*

Advertising costs are charged to operations when incurred. Advertising costs were \$75,539 and \$60,796 for 2025 and 2024, respectively.

### *Subsequent Events*

In preparing these financial statements, the Foundation has evaluated events and transactions for potential recognition or disclosure through October 29, 2025, the date the financial statements were available to be issued.

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## **Note 3 – Programs (Unaudited)**

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The Foundation has multiple programs that provide direct and indirect support to patients and caregivers including:

### *Case Management Services*

For 29 years, the Foundation has provided case management interventions for critically or chronically ill patients across the nation. PAF's mission is to help patients connect with and maintain access to prescribed healthcare services and medications, navigate insurance barriers, find resources to support cost-of-living expenses during treatment, evaluate, and sustain health insurance coverage, and manage or reduce out-of-pocket medical and living expenses.

PAF's professional case management services are offered at no cost to patients and their families. We collaborate closely with patients, their loved ones, and their care teams, often taking the lead in resolving complex healthcare access and affordability challenges. In FY24/25, the Foundation's case management staff directly assisted or advocated for 13,551 individuals, collectively living with 773 unique diseases. On average, each case involved 30 contacts with relevant stakeholders to achieve resolution, totaling 411,721 unique interactions. This effort resulted in an average debt relief or patient savings of \$1,220 per case.

In addition to direct case management, PAF provided 15,196 educational publications in both print and digital formats to patients and those seeking guidance. The Foundation operates a diverse portfolio of 26 unique case management programs, each designed to support patients in their healthcare journeys, working to resolve access and affordability issues that, if not addressed, impact care and health outcomes.

### *Patient Education and Empowerment*

PAF extends its patient services by developing and delivering patient education and empowerment tools with a focus on providing practical advice and guidance to healthcare consumers. These tools aim to enhance individuals' day-to-day experiences with insurance and encourage active engagement within the healthcare system. PAF's educational activities are designed based on the conversations that occur among case managers, patients, and caregivers, focusing on those topics for which patients most frequently seek help. Annually, PAF creates, maintains, and disseminates a diverse range of patient education materials and online resources, available in both printed and electronic formats. PAF's educational portfolio encompasses a wide array of subjects, presented in various formats to cater to the preferences and needs of multiple audiences. This includes patients, caregivers, professionals, as well as those directly interacting with the foundation for assistance, and the public accessing the website and engaging with PAF.

# Patient Advocate Foundation

## Notes to Financial Statements

June 30, 2025

PAF's patient education resources are frequently utilized by other organizations and institutions, who share these materials with their own patients. The Foundation curates an extensive library of PAF-authored patient educational publications, on-demand webinars, interactive training series, and resource tools. All resources are accessible at no cost.

In FY2024/2025, the Foundation's Patient Education and Empowerment team successfully published 59 new or revised publications, along with videos, educational webinars, and presentations. Additionally, PAF worked on two multi-year educational projects: the Patient Action Council project and the Medicare Video Series. Additionally, the team has conducted a series of focus groups to ensure PAF's materials are updated, clear, and person-centered.

Patient Advocacy, Engagement and Education have an ongoing internship partnership with the New York University (NYU) Global Public Health department, and in FY2024/2025, an NYU Intern working with the education team on current projects pertaining to PAF's National Financial Resource Directory (the directory) and PAF's Education Resource Library. The NYU intern assigned to the patient advocacy and engagement team worked on the Shared Decision-Making initiative.

In FY2024/2025, the department conducted its first impact evaluation survey for the Education Resource Library (ERL). 95% of individuals found the ERL to be valuable, 80% of the respondents felt that the ERL was clear and easy to use, 78% of the respondents felt that the ERL provided information that would help them make informed decisions throughout their healthcare journey and 81% of the respondents felt that if they encountered a healthcare challenge in the future, they would come back to the ERL to get assistance.

Users of the directory conducted a total of 121,476 searches. These searches yielded 3,736,314 matching resources, averaging 31 customized resources per search. The most frequently sought-after financial assistance categories were for cost of living and medical and prescription costs. The top 8 assistance types, ranked by search frequency, were: Financial Assistance Support, Charitable Copayment Assistance, Medication Costs, Medical Bills, Utilities, Food & Nutrition, Affordable Options for Care, and Transportation.

During FY2024/2025, members of the Foundation's staff also conducted, participated in, and hosted educational outreach at the local, regional, and national levels with the goal of educating the public, nonprofit organizations, and members of the healthcare community (who support patients) about the services and educational materials offered by the Foundation and the challenges facing patients as they navigate their treatment journey. This outreach was, in cases, targeted to a population outlined in healthcare access and disease outcomes data as affected by social determinants of health and underserved communities. While PAF is still participating in virtual events, attendance at in-person events has increased significantly. PAF continues to support virtual engagements to reach a broader audience through various sources and increase public awareness of PAF resources to patients and families. In FY24/25, PAF attended 152 outreach events and distributed 4852 educational publications in both English and Spanish through these events.

### *Community Outreach & Patient Education*

PAF's commitment to advancing health equity for limited resources and other marginalized populations is steadfast. Through thought leadership, community engagement, and outreach activities we continued to Ignite critical conversations about health disparities, galvanize partners around topics such as triple-negative breast cancer, elevate the experiences of limited-resourced communities seeking to access healthcare, and strategize on upstream approaches to drive sustainable change internally and externally. This year our community work expanded into Atlanta, Baltimore, Hampton Roads, and Philadelphia, which allowed us to convene our second advisory group and launch our first documentary.

# Patient Advocate Foundation

## Notes to Financial Statements

June 30, 2025

### *Building Momentum in Chicago*

Building on the momentum from the Ignite Triple Negative Breast Cancer (TNBC) Campaign launched in Chicago in 2023, PAF, in partnership with Elevated Survivorship, Inc. co-convened the Chicago Better Together Breast Cancer Disparities Think Tank, to devise, the [Pink Print](#) Chicago Edition, an action plan to address breast cancer mortality disparities on Chicago's Southside. This plan builds on community-identified areas of focus: Nutrition/Food Justice; Environmental Justice, Cancer Care Continuum, and Social and Emotional Wellbeing, and provides an opportunity for ongoing community engagement and partnership cultivation for sustainable change.

PAF led the development of "[But Yet, They Rise](#)," a 30-minute documentary highlighting the untold story of the survivorship of five Black women in Chicago. Their narrative of strength, perseverance, and hope is intended to Ignite conversations about the experiences of Black women diagnosed with TNBC and drive tangible actions to support them along the cancer continuum.

### SelfMade Health Network (SMHN)

The SelfMade Health Network (SMHN) is part of a consortium of national organizations to advance commercial tobacco use prevention and cancer prevention in populations experiencing tobacco and cancer-related health disparities supported by the Centers for Disease Control and Prevention Division of Cancer Prevention and Control and Office on Smoking and Health via cooperative agreement DP23-0015. SMHN focuses on building the capacity of national comprehensive cancer control programs (NCCCPs); national state tobacco control programs (NSTCP), health systems, social sector providers, and other non-profit entities to implement best and promising practice interventions that drive upstream policy, systems, and environmental changes across the public health and health ecosystem.

In partnership with Geographic Health Equity Alliance and Nuestras Adelante Voces, SMHN launched the Tri-Networks Cancer Prevention Community of Practice. NCCCP teams from Alaska, Colorado, Mississippi, Nebraska, New York, and Oklahoma, will participate in an 18-month group learning community accompanied by one-on-one technical assistance to enhance their capacity to implement interventions to reduce cancer-related disparities among populations with low socio-economic characteristics, Hispanics, or those in geographically disparate communities.

In February 2025, SMHN launched its second Community of Practice titled Bridging Sectors: Transformative Tobacco Prevention in Low Socioeconomic Status (SES) Communities (Bridging Sectors). Bridging Sectors is more than a virtual collaborative learning space—it is an initiative dedicated to addressing the complex and interconnected challenges faced by communities with low SES characteristics that exacerbate the impact of commercial tobacco use. Bridging Sectors unite traditional partners like National and State Tobacco Control Programs (NTCP), tobacco prevention coalitions, and community-based organizations while uniquely engaging non-public health sectors such as social services and housing organizations. Together, we aim to create sustainable tobacco control efforts that promote healthier and safer conditions for communities with low SES characteristics by integrating perspectives from sectors outside traditional public health agencies, developing a richer approach to tackling commercial tobacco use in these communities.

At the core of this initiative is a deep commitment to understanding and safeguarding the quality of life for individuals with low SES characteristics who use tobacco or are exposed to the harmful effects of second/thirdhand smoke. We recognize that housing environments, access to quality healthcare, and insurance status are intricately connected to commercial tobacco use. Where people live, work, and play profoundly influences their health outcomes, particularly in low SES communities.

# Patient Advocate Foundation

## Notes to Financial Statements

June 30, 2025

The first cohort, "Housing for Health: An Evidence-Informed Approach to Addressing Housing and Commercial Tobacco Use: What Can Be Done?" took place January 8, 2025, through July 23, 2025. The Community of Practice (CoP) is designed to equip participants with evidence-informed strategies that tackle the interconnectedness between housing and commercial tobacco use. Whether a representative from a public housing authority, a homeless shelter, or a tobacco control program, the CoP is designed to provide participants with the knowledge and tools to mitigate the health risks associated with second and third-hand smoke exposure in housing environments. Through group learning sessions, expert-led webinars, and tailored technical assistance, participants were provided with tools to mitigate the health risks associated with second and third-hand smoke exposure to help housing conditions and promote healthier, tobacco-free communities.

SMHN staff are often sought for their experience and expertise. A member of the team was recently selected to join the Michigan Cancer Consortium. In this role, they will provide guidance on the integration of evidence-based intervention to address cancer early detection, treatment, and survivorship among populations with low socio-economic characteristics. Additionally, because of their leadership SMHN was selected to facilitate a pre-conference workshop at the 2025 National Conference on Tobacco or Health in August 2025.

### Other Community Outreach

In Atlanta, PAF partnered with My Style Matters for their HERitage event, which focused on generational health. PAF also collaborated with the Alpha Kappa Alpha Sorority, Inc. – Psi Alpha Omega Chapter to host "Rise Up Atlanta: TNBC is A Serious Matter," a community education and resource event centered on Triple Negative Breast Cancer (TNBC). Additionally, PAF created a mobile education display to ensure breast cancer education continues beyond October. PAF also supported Sisters Working It Out during their annual Day of Beauty.

In Philadelphia, PAF formed new partnerships with Celebrating Sisterhood, Inc. for their annual She Shines Conference, which included a breast cancer resources panel featuring a PAF staff member. PAF also established collaborations with the Byrd Cancer Education and Advocacy Foundation and She Rise Farms to integrate PAF resources into their community engagement initiatives.

In Hampton Roads, PAF brought together representatives from the City of Hampton, the Hampton Unity Commission, and the Virginia Breast Cancer Fund to co-design and implement Ignite Hampton (Ignite), PAF's first TNBC-focused community outreach event in its home region.

### *Health Services Research*

The aim of the Health Services Research portfolio is to improve the patient experience by studying the patient journey, unmet needs, and the impact that systems and social support interventions have on overall patient health and wellbeing. Major research, evaluation, and patient experience/engagement initiatives in FY2024-2025 included ongoing partnerships on research intervention projects with academic and partners including: the University of North Carolina at Chapel Hill, Emory University, Fred Hutchinson Cancer Research Center, and the University of California Irvine. These projects utilize Case Management as an intervention to address financial and social need. In addition to PAF's intervention work, PAF continues to partner with scientific and/or academic institutions to develop and analyze survey data that are the cornerstone of PAF's peer-reviewed publications. This year six articles were published in peer-reviewed journals and work was presented twelve times (presentation, podium speeches, posters) at national meetings. PAF's work is documented in the "Year in Review" (found [here](#)).

# Patient Advocate Foundation

## Notes to Financial Statements

June 30, 2025

PAF's Research Evaluation and Patient Experience team was also involved in a patient-centered project to support the field in integrating patient voices into health policy, care, and research initiatives. A key partnership with Michigan Oncology Quality Consortium (MOQC) integrated patient perspectives into Social Determinants of Health (SDOH) screening and response in cancer practices. PAF also served as thought leaders and content experts, as well as key partners in facilitation of outreach and collection of the patient experience on numerous topics including Social Drivers of Health, Clinic Factors affecting care, and demographic collection at the point of care to advance equity. PAF continues to build partnerships, and these relationships were reflected through partnered projects with National Opinion Research Center (NORC) at the University of Chicago, AcademyHealth, and the University of California at San Francisco (SIREN: Social Interventions Research and Evaluation Network).

Collectively, this body of work serves to further PAF's mission by advancing the field's knowledge of the patient experience around access and affordability, thus providing insight into how to best meet patients' financial and social needs in a way that is patient-centered and advances the tenants of health.

### *Scholarship for Survivors Program*

It is common for PAF staff to interact with patients and families who are struggling to afford post-secondary education due to the financial burden associated with a chronic illness or life-threatening disease. In 2000, PAF established the Scholarship for Survivors program to honor these individuals by offering educational scholarships to students who have been diagnosed with, or are living with, cancer or a chronic illness. These students have, despite their diagnosis, excelled academically, served the community, and desire to pursue a secondary education.

PAF's signature fundraising event for the scholarship program, A Promise of Hope Affair, was held on October 5, 2024. Through this event, generous PAF donors helped support 40 scholarships through the Scholarship for Survivors program for the 2024-2025 academic year. To date, PAF has awarded 275 scholarships totaling over one million dollars.

### *Financial Support Programs*

Since 2004, PAF's Co-Pay Relief Program (CPR) has provided financial assistance for co-payments, co-insurance and deductibles required by a patient's insurer for medications prescribed to treat and/or manage the patient's disease.

In FY 2024/2025 PAF's Co-Pay Relief Program expanded its impact through the addition of nine (9) new general funds, assisting patients in two (2) new Health Equity (HE) funds and sixty (60) existing funds including:

Acromegaly, Acute Myeloid Leukemia, Alzheimer's Disease HE, Amyloidosis, Asthma, Bile Duct Cancer, Bladder Cancer, Breast Cancer, Breast Cancer HE, Cancer Genetic & Genomic Testing, Cervical Cancer, Chronic Obstructive Pulmonary Disease, Coronary Artery Disease HE, Covid-19 & Post Covid Conditions, Cystic Fibrosis, Diabetes, Diabetes HE, Diabetes Type 2 HE, Eosinophilic Esophagitis, Gaucher Disease, Gaucher Disease HE, Heart Failure HE, Hemophilia, Hemophilia HE, Hepatitis B, Hepatitis C, Hepatitis C HE, Hepatocellular Carcinoma, HIV, Aids & Prevention, HIV, Aids & Prevention HE, Homozygous Familial Hypercholesterolemia, Lupus, Lupus HE, Melanoma, Metastatic Breast Cancer, Metastatic Colorectal Cancer, Metastatic Colorectal Cancer HE, Metastatic Prostate Cancer, Mucopolysaccharidosis III, Mucopolysaccharidosis VII, Mucopolysaccharidosis VII HE, Multiple Myeloma, Multiple Myeloma HE, Multiple Sclerosis, Multiple Sclerosis HE, Myelodysplastic Syndromes, Narcolepsy, Non-Small Cell Lung Cancers, Non-Small Cell Lung Cancer HE, Osteoporosis, Ovarian Cancer, Ovarian Cancer HE, Pancreatic Cancer, Parkinson's Disease HE, Periodic Paralysis, Prostate Cancer, Prostate Cancer HE, Psoriasis, Psoriatic Arthritis, Pulmonary Fibrosis, Pulmonary Hypertension, Rheumatoid Arthritis, Small Cell Lung Cancer, Social Needs Assessment & Intervention Fund, Soft Tissue Sarcoma, Spinal Muscular Atrophy, Spinal Muscular Atrophy HE, Stoke, Thyroid Eye Disease, Ulcerative Colitis, Virology Testing HE.

# Patient Advocate Foundation

## Notes to Financial Statements

June 30, 2025

PAF's Co-Pay Relief Program established Health Equity funds in 2022, a type of fund that makes CPR more accessible and beneficial for patients who needed the most help and are not being served adequately by the existing medical and copay infrastructure. Developed using the Social Vulnerability Index (SVI) and CDC Disease Incidence data, these funds serve people living in 226 counties across the United States that have been identified by the SVI and CDC incidence data as having the highest social vulnerability scores and are burdened with high rates of chronic diseases. The Health Equity Funds are designed to specifically provide support to eligible patients living in one of the 226 counties covered by the funds, which is verified using the zip code of the patient's home address. All other eligibility requirements, and fund operation, are the same as CPR's general funds.

The Foundation's Co-Pay Relief Program offers a dedicated, secure web-based application for patients and/or their family members to enroll electronically for the Co-Pay Relief Program directly from the Co-Pay Relief Program website. Also, CPR offers three dedicated, secured websites for medical providers, pharmacy representatives and employees of charitable nonprofit organizations to enroll electronically for the Co-Pay Relief Program on behalf of the patients they are working with. The Foundation also offers telephonic support services to patients who prefer to receive personal assistance from a program specialist.

In FY2024/2025, the Foundation administered co-payment assistance to 78,035 qualified patients through seventy-one (71) assistance funds available through the Co-Pay Relief Program. The program staff fielded 188,385 telephone calls and processed claims totaling over \$174,190,832 in support of qualified patients' out-of-pocket for required co-payments, co-insurance, and deductibles. Since its inception in 2004, the Foundation has provided co-payment assistance to over 831,000 individuals, allocating more than \$2.5 billion in co-payment awards.

PAF also administered a suite of seventeen (17) small grant programs in FY2024/2025 referred to as Financial Aid Funds, each providing financial assistance to qualified patients for out-of-pocket and cost of living expenses patients struggle to manage when dealing with chronic or critical disease. In FY2024/2025, program staff fielded 22,839 telephone calls and successfully provided one-time small grants to 2,786 patients, totaling \$3,534,600 in financial relief. The small grants range from \$500-\$4,500 per patient and are designed to defray non-medical expenses, including transportation, lodging, nutritional needs, childcare, and burial expenses, faced by patients because of their diagnosis and treatment.

The financial aid fund programs include:

- ACS Cancer Care Continuity Fund: In partnership with the American Cancer Society, this fund supports cancer patients that live in a qualifying area and their families that were impacted directly or indirectly by hurricane Helene or hurricane Milton.
- ACS Cancer Care Continuity Wildfires Fund: In partnership with the American Cancer Society, this fund supports cancer patients that live in a qualifying area and their families that were impacted directly or indirectly by the California Wildfires.
- ARDS Alliance Sumita Dixit Recovery Fund: serving patients diagnosed with acute respiratory distress syndrome (ARDS).
- Begin Again Foundation Amputee Fund: serving patients diagnosed with sepsis who have experienced an amputation as a result of sepsis.
- Begin Again Foundation Bereavement Fund: supports funeral expenses associated with patients who have passed and died from ARDS, TSS and/or Sepsis.
- Begin Again Foundation Financial Aid Fund: serving patients diagnosed with ARDS, TSS and/or Sepsis.
- Begin Again Southeastern Virginia Financial Aid Fund: serving patients diagnosed with ARDS, TSS, and/or Sepsis that reside in Southeastern Virginia.
- Case Management Immediate Need Fund: serving patients with an immediate need to cover the out-of-pocket expenses associated with cost-of-living expenses related to treatments.

# Patient Advocate Foundation

## Notes to Financial Statements

June 30, 2025

- DONNA Financial Aid Fund: serving patients diagnosed with Breast Cancer that have received case management services through DONNA Careline.
- Heart Valve Financial Aid Fund: serving patients diagnosed with a heart valve condition.
- Merkel Cell Carcinoma Financial Aid Fund: serving patients diagnosed with a rare form of skin cancer.
- Mia's Miracles Financial Assistance Fund: serving pediatric patients diagnosed with brain cancer.
- National Ovarian Cancer Coalition Clinical Trial Fund: serving patients that have been diagnosed with ovarian cancer, fallopian tube cancer or peritoneal cancer by providing financial assistance for cost-of-living expenses.
- National Ovarian Cancer Coalition Treatment Fund: serving patients that have been diagnosed with ovarian cancer, fallopian tube cancer or peritoneal cancer by providing financial assistance for non-medical related expenses to clinical trial participation that hinder their ability to receive the treatment or care.
- Oklahoma Transportation Fund: serving patients that have been diagnosed with prostate cancer and reside in Oklahoma.
- Patient Advocate Foundation Caregiver Support Fund: In partnership with the American Cancer Society, this fund supports caregivers of loved ones diagnosed with cancer.
- The Patric Young Foundation SCI Financial Assistance Fund: supporting patients that live in an eligible county in Florida that have been diagnosed with a life altering spinal cord injury.

### *Nonprofit Program Administration (NPPA) Agreements*

PAF currently operates transparent service administration agreements with three nonprofit organizations, one national and two regional charitable organizations. The first NPPA program began operations in 2009, and two new partnership programs launched in 2024. PAF has been engaged to provide full service, transparent administration services to qualified patients that enter their co-pay assistance and/or patient financial aid programs. PAF provided this contractual service during 2025 and 2024. The Foundation administered services to 67,891 and 70,982 patients in 2025 and 2024, respectively, through this service agreement.

### **Note 4 – Concentrations**

Financial instruments, which potentially subject the Foundation to concentration of credit risk consist principally of cash with various banks and investment securities. The Foundation places its temporary cash investments with high credit quality financial institutions. Accounts at each financial institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 or the Securities Investor Protection Corporation (SIPC) up to \$500,000. The Foundation normally has deposits in financial institutions in excess of insured amounts. Deposits of approximately \$83,000,000 and \$131,000,000 at June 30, 2025 and 2024, respectively, were in excess of FDIC insured amounts. Deposits of approximately \$1,900,000 and \$1,650,000 at June 30, 2025 and 2024, respectively, were in excess of SIPC insured amounts. The Foundation has not experienced any financial loss as a result of such deposits. The Foundation does not currently have any investments over the IntraFi Cash Service (ICS) and Certificate of Deposit Account Registry Service (CDARS) limits.

During the years ended June 30, 2025 and 2024, respectively, three and four donors accounted for approximately 79% and 84% of restricted grant donations received. As of June 30, 2025 and 2024, respectively, four donors and five donors accounted for approximately 99% and 100% of unconditional promises to give.

# Patient Advocate Foundation

## Notes to Financial Statements

June 30, 2025

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### Note 5 – Liquidity and Availability of Resources

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As part of its liquidity management, the Foundation has a policy to structure its financial assets to be available as its general expenses, liabilities, and other obligations come due. The Foundation considers general expenditures to be all expenditures related to its ongoing activities of providing services to its clients, as well as the conduct of services undertaken to support those activities' general expenditures.

The following schedule explains the Foundation's financial ability to meet cash needs for general expenses within one year. Financial assets are considered unavailable when illiquid or not convertible to cash within one year, assets held for others, or because the governing board has set aside funds for a specific purpose. These board designations could be withdrawn if the board approved that action.

	<b>2025</b>	<b>2024</b>
General operating cash and cash equivalents	\$ 24,271,702	\$ 14,546,938
Unconditional promises to give excluding promises restricted for the Co-Pay Relief Program	314,620	681,383
Accounts receivable	2,400,830	2,463,308
	<b>\$ 26,987,152</b>	<b>\$ 17,691,629</b>

As part of the Foundation's liquidity management, the Board has invested cash in debt and equity investments, short-term investments, certificates of deposits, and money market funds. The Board has designated these funds as discussed in Note 18. The balance of the board designated endowment investments was \$2,426,647 and \$2,333,096 at June 30, 2025 and 2024, respectively. Also, the Foundation has \$20,000,000 and \$30,000,000 in short-term certificates of deposit at June 30, 2025 and 2024, respectively, that could be used toward operations if necessary.

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### Note 6 – Unconditional Promises to Give

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The Foundation records unconditional promises to give in the year in which the promise is received. These consist primarily of donations received from various donors to support the Co-Pay program. Unconditional promises to give totaled \$7,805,498 and \$17,034,563 at June 30, 2025 and 2024, respectively. Of this, \$7,490,878 and \$16,353,180 is related to the Co-Pay Program for the years ended June 30, 2025 and 2024, respectively. See breakdown below:

Unconditional promises to give for the years ended June 30:

	<b>2025</b>	<b>2024</b>
Co-Pay Program	\$ 7,490,878	\$ 16,353,180
Other donations	314,620	681,383
	<b>\$ 7,805,498</b>	<b>\$ 17,034,563</b>

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### Note 7 – Comparative Detail

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Contract balances related to membership dues (program service revenue) are included in the accompanying statements of financial position as accounts receivable and deferred revenue. Accounts receivable and deferred revenue consists of the following types of revenue at June 30:

# Patient Advocate Foundation

## Notes to Financial Statements

June 30, 2025

	2025	2024	2023
Accounts receivable:			
Program service revenue	\$ 1,430,364	\$ 1,568,572	\$ 1,635,411
Contributions and grants	970,466	894,736	1,369,504
	<b>\$ 2,400,830</b>	<b>\$ 2,463,308</b>	<b>\$ 3,004,915</b>
Deferred revenue:			
Program service revenue	\$ 14,125,610	\$ 17,099,897	\$ 18,453,933
Contributions and grants	834,536	1,260,257	808,990
	<b>\$ 14,960,146</b>	<b>\$ 18,360,154</b>	<b>\$ 19,262,923</b>

## Note 8 – Related Party Transactions

During 2025 and 2024, the Foundation paid consulting fees of \$516,000 and \$780,000, respectively, to National Patient Advocate Foundation (NPAF). NPAF and the Foundation have the same individual as their Chief Executive Officer. These fees are governed by an arm's length contractual arrangement between the two separate organizations and are in accordance with Internal Revenue Service guidelines dealing with transactions between a section 501(c)(3) organization and a section 501(c)(3) policy making entity. During 2025 and 2024, the Foundation contributed \$-0- and \$200,000, respectively, to NPAF to support the Needs Navigation Grant. At June 30, 2025 and 2024, respectively, due from NPAF was \$66 and \$34,034 and due to NPAF was \$- and \$9,950 which are included on the statements of financial position.

## Note 9 – Investments and Fair Value Measurements

Accounting standards establish a framework for measuring fair value. That framework 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 or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under applicable accounting standards are described as follows:

**Level 1** Inputs to the valuation methodology are unadjusted quoted market prices for identical assets in active markets that the Foundation has the ability to access and cash equivalents (money market funds).

**Level 2** Inputs to the valuation methodology include:

- 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;
- 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.

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

The asset or liability's fair value measurement within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

# Patient Advocate Foundation

## Notes to Financial Statements

June 30, 2025

The following is a description of the valuation techniques used for assets measured at fair value. There have been no changes in the methodologies used at June 30, 2025 and 2024.

*Federal agency bonds:* valued at prices obtained from an independent pricing service when such prices are available. These are included as Level 2 measurements in the table below.

*Certificates of deposit:* long-term certificates of deposit purchased within five years to maturity are valued at amortized cost, which approximates market value. These are included as Level 2 measurements in the table below.

*Money market funds:* valued at cost plus interest earned.

The preceding methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Foundation believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following sets forth by level, within the fair value hierarchy, the Foundation's assets at fair value:

Assets at Fair Value as of June 30, 2025				
	Level 1	Level 2	Level 3	Total
Certificates of deposit	\$ -	\$ 70,000,000	\$ -	\$ 70,000,000
Money market funds	2,426,647	-	-	2,426,647
	<b>\$ 2,426,647</b>	<b>\$ 70,000,000</b>	<b>\$ -</b>	<b>\$ 72,426,647</b>

  

Assets at Fair Value as of June 30, 2024				
	Level 1	Level 2	Level 3	Total
Federal agency bonds	\$ -	\$ 182,802	\$ -	\$ 182,802
Certificates of deposit	-	80,000,000	-	80,000,000
Money market funds	2,150,294	-	-	2,150,294
	<b>\$ 2,150,294</b>	<b>\$ 80,182,802</b>	<b>\$ -</b>	<b>\$ 82,333,096</b>

## Note 10 – Property and Equipment

Major classes of property and equipment consisted of the following at year-end as of June 30:

	2025	2024
Computers, software and other assets	\$ 9,740,101	\$ 8,990,480
Projects in progress	291,062	579,567
Furniture and fixtures	466,561	466,561
Office equipment	314,740	243,547
Leasehold improvements	100,581	100,581
	10,913,045	10,380,736
Accumulated depreciation	(6,187,118)	(5,013,559)
	<b>\$ 4,725,927</b>	<b>\$ 5,367,177</b>

Depreciation expense was \$1,720,310 and \$1,611,258 for 2025 and 2024, respectively.

# Patient Advocate Foundation

## Notes to Financial Statements

June 30, 2025

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### Note 11 – Operating Lease

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The Foundation leases 36,500 square feet of office space, under a ten-year lease agreement, which expires in September 2033. The initial rent payment was \$52,970 per month and the agreement includes annual rent increases every other October. The Foundation also leases office equipment for use during operations, which consists of a postage and folding machine. The leases do not include variable payments and there were no material residual value guarantees or restrictive covenants included in the lease agreements.

The lease expense under this agreement was \$692,988 and is shown as occupancy on the statements of functional expenses for both 2025 and 2024.

Weighted-average lease term and discount rate were as follows as of June 30:

	<b>2025</b>	<b>2024</b>
Weighted-average remaining lease term	8.25 years	9.25 years
Weighted-average discount interest rate	2.88%	2.88%

Future minimum lease payments are:

Year Ending	
2026	\$ 680,609
2027	693,371
2028	697,624
2029	710,705
2030	715,065
Thereafter	<u>2,386,933</u>
Total lease payments	5,884,307
Less present value discount	<u>(649,881)</u>
Present value of lease liability	<u><u>\$ 5,234,426</u></u>

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### Note 12 – Post-Retirement Benefits Obligation

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Beginning on January 1, 2016, PAF began offering a Health Reimbursement Account (HRA) for eligible, non-active retirees in order to fulfill the organizational imperative of encouraging access to affordable healthcare for PAF retirees. Upon retirement, eligible employees will receive reimbursements of 100% up to \$9,900 annually that can be utilized to pay for eligible healthcare expenses, healthcare premium expenses, including Medicare parts B, D, Medicare supplemental plans, and long-term care insurance premiums for the eligible retiree. To be eligible for participation in the retiree HRA benefit, PAF employees must have worked actively and continuously as a full-time employee for PAF for a minimum of 15 years at time of retirement, be Medicare-eligible at retirement either through meeting age requirements or disability requirements and have retired from PAF on or after January 1, 2014. Effective January 1, 2021, participants must have been hired on or before January 1, 2009, to be eligible for postretirement benefits.

# Patient Advocate Foundation

## Notes to Financial Statements

June 30, 2025

Expected future net benefit payments are as follows as of June 30:

<b>Year Ending</b>	<b>2026</b>	<b>2027</b>	<b>2028</b>	<b>2029</b>	<b>2030</b>	<b>2031 - 2035</b>	<b>2025</b>
2026	\$ 78,073						
2027		91,611					
2028			104,894				
2029				122,820			
2030					140,438		
2031 - 2035						834,404	
							<b>\$ 1,372,240</b>

Weighted average assumptions for determining benefit obligations and net periodic benefit cost for fiscal years ending June 30:

	<b>2025</b>	<b>2024</b>
Discount rate, benefit obligations	5.48%	5.34%
Discount rate, net periodic benefit cost	5.34%	4.92%
Healthcare trend rate*		
Current rate	N/A	N/A
Ultimate rate	N/A	N/A
Year ultimate rate reached	N/A	N/A

\* Healthcare trend rates are not applicable to the Foundation as the benefit payment is fixed for this plan.

### *Components of Net Periodic Benefit Cost*

	<b>2025</b>	<b>2024</b>
Service cost	\$ 74,928	\$ 80,251
Interest cost	110,187	102,788
Amortization of:		
Prior service cost	20,526	20,526
Actuarial gain	(89,317)	(71,625)
Net periodic benefit cost	<b>\$ 116,324</b>	<b>\$ 131,940</b>

### *Accumulated Postretirement Benefit Obligations*

Change in accumulated postretirement benefit obligations (APBO) for fiscal years ending June 30:

	<b>2025</b>	<b>2024</b>
APBO, beginning of year	\$ 2,115,702	\$ 2,234,890
Service cost	74,928	80,251
Interest cost	110,187	102,788
Estimated benefits paid	(68,767)	(68,815)
Actuarial loss	(53,782)	(233,412)
APBO, end of year	<b>\$ 2,178,268</b>	<b>\$ 2,115,702</b>

# Patient Advocate Foundation

## Notes to Financial Statements

June 30, 2025

Funded status for fiscal years ending June 30:

	<b>2025</b>	<b>2024</b>
APBO, end of year	\$ (2,178,268)	\$ (2,115,702)
Fair value of plan assets, end of year	-	-
Net amount recognized in statements of financial position	<u>(2,178,268)</u>	<u>(2,115,702)</u>
Current portion	78,073	68,311
Long-term portion	<u><u>\$ 2,100,195</u></u>	<u><u>\$ 2,047,391</u></u>

### Note 13 – Self-Insurance

The Foundation participates in a partially self-funded health insurance program offered to their employees. During 2025 and 2024, the plan provided claims coverage up to a maximum of \$120,000 per contract and claims covered were \$1,621,667 and \$1,416,020, respectively, for an aggregate of 173 and 159 contracts, respectively. PAF purchases commercial insurance for claims in excess of the self-funded retention on both an individual contract and aggregate basis. Costs of the program are accounted for in employee insurance and are reported on the statements of functional expenses.

PAF has recorded an unpaid claims liability for claims incurred but not recorded (IBNR). The liability is based upon actuarial estimates provided by the third-party administrator. The IBNR liability was \$98,000 and \$79,000 at June 30, 2025 and 2024, respectively, and is reported on the statements of financial position in long-term liabilities.

### Note 14 – Net Assets Without Donor Restrictions – Board Designated

Board designated net assets without donor restrictions consist of the following as of June 30,:

	<b>2025</b>	<b>2024</b>
Endowment (Note 18)	<u><u>\$ 2,426,647</u></u>	<u><u>\$ 2,333,096</u></u>

### Note 15 – Net Assets With Donor Restrictions

Net assets with donor restrictions are available for the following specific purpose as of June 30:

	<b>2025</b>	<b>2024</b>
Co-Pay Relief Program funding	\$ 170,199,559	\$ 242,803,330
Financial Aid Programs	2,828,028	3,414,372
Promise of Hope Gala materials	5,579	2,520
Total net assets with donor restrictions – purpose or time	<u><u>\$ 173,033,166</u></u>	<u><u>\$ 246,220,222</u></u>

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes specified by donors for the years ended June 30 as follows:

	<b>2025</b>	<b>2024</b>
Purpose restrictions accomplished:		
Co-Pay Relief Program funding	\$ 173,709,564	\$ 236,836,393
Financial Aid Programs	2,427,460	3,965,400
Promise of Hope Gala materials	30,952	17,178
Total restrictions released	<u><u>\$ 176,167,976</u></u>	<u><u>\$ 240,818,971</u></u>

# Patient Advocate Foundation

## Notes to Financial Statements

June 30, 2025

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### Note 16 – Gifts In-Kind

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Gifts in kind consist of donated services and supplies and are broken down as follows:

		<b>Amount</b>	<b>Donation Description</b>	<b>Method of Valuation</b>	<b>Donor Restriction</b>
Donated services:					
2025	\$	800	Speaker for event donated her fee back to the Foundation	Agreed upon fee for event	N/A
2024	\$	-	Marketing communication services	Estimated purchase cost for similar services	N/A
Donated materials:					
2025	\$	34,014	Gift basket items	Estimated purchase cost for similar services	Promise of Hope fundraising event
2024	\$	19,695	Gift basket items	Estimated purchase cost for similar services	Promise of Hope fundraising event

All gifts in kind received during 2025 and 2024 were used by the Foundation as the donor requested for the annual fundraiser. In June 2025 and 2024, \$5,579 and \$2,520 was donated for the 2026 and 2025 fundraisers, respectively (Note 15).

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### Note 17 – Pension Plan

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The Foundation has a 401(k) plan in which both full and part-time employees are eligible to participate upon their date of hire. The Foundation matches employee contributions for the first 3% of eligible compensation at 100% and an additional 2% of eligible compensation at 50%. The employer match was \$503,943 and \$482,941 for 2025 and 2024, respectively, which is shown as employee retirement on the statements of functional expenses

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### Note 18 – Board Designated Endowment

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The Foundation's endowment fund was established to support its mission and exempt purpose by supporting its Direct Patient Services, including case management and legal counseling/intervention and/or mediation necessary to assure access to health care for uninsured, underinsured, and insured patients, in addition to support in addressing debt crisis and/or job retention resulting from the diagnosis of a chronic or life-threatening disease. The endowment fund builds long-term stability for the future of the Foundation by providing an additional source of income to meet an increasing demand for its programs and services.

The Foundation established the endowment fund in 2001. The funds were designated by the Board of Directors to function as endowments. As required by GAAP, net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

# Patient Advocate Foundation

## Notes to Financial Statements

June 30, 2025

*Investment Return Objectives, Risk Parameters, and Strategies.* The Foundation has adopted investment and spending policies, approved by the Board of Directors, for endowment assets that attempt to provide a predictable stream of funding to the Foundation's Direct Patient Services supported by its endowment funds while also maintaining the purchasing power of those endowment assets over the long-term. Accordingly, the investment process seeks to achieve an after-cost total real rate of return, including investment income, as well as capital appreciation, which exceeds the annual distribution with acceptable levels of risk. Endowment assets are invested in a well-diversified asset mix that is intended to result in a consistent inflation-protected rate of return. Investment risk is measured in terms of the total endowment fund; investment assets and allocation between asset classes and strategies are managed to not expose the fund to unacceptable levels of risk.

*Spending Policy.* The Foundation's Board of Directors governs the use of the endowment fund and identifies the mission related programs and services for which the funds will be used.

Endowment fund net assets were exclusively board designated endowment funds without donor restrictions and were \$2,426,647 and \$2,333,096 at June 30, 2025 and 2024, respectively.

Changes in board designated endowment fund net assets were as follows at year-end as of June 30:

	<b>2025</b>	<b>2024</b>
Endowment fund net assets - beginning of year	\$ 2,333,096	\$ 2,224,088
Investment return, net	93,551	109,008
Endowment fund net assets - end of year	<b><u>\$ 2,426,647</u></b>	<b><u>\$ 2,333,096</u></b>

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## Note 19 – Line of Credit

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In October 2012, the Foundation obtained a \$1,000,000 line of credit from Branch Banking and Trust Company, now known as Truist Bank. Borrowings bear interest at Term SOFR plus 2.5%. The interest rate at June 30, 2025 and 2024, was 6.85% and 6.83%, respectively. As described in the terms of the line of credit agreement, collateral has been identified as all depository accounts and investment property held by Truist, as well as accounts receivables, inventory, equipment and general intangibles. There were no drawdowns on the line of credit during the years ended June 30, 2025 and 2024. The maturity date of the line of credit is January 5, 2026.



# Compliance Section

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## **Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards***

To the Board of Directors of  
Patient Advocate Foundation  
Hampton, Virginia

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Patient Advocate Foundation (a nonprofit organization), which comprise the statement of financial position as of June 30, 2025, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated January 8, 2026.

### **Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Patient Advocate Foundation's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Patient Advocate Foundation's internal control. Accordingly, we do not express an opinion on the effectiveness of Patient Advocate Foundation's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct, misstatements, on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

## Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Patient Advocate Foundation's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Brown, Edwards & Company, L.L.P.*

CERTIFIED PUBLIC ACCOUNTANTS

Newport News, Virginia

January 8, 2026

**Patient Advocate Foundation**  
**Schedule of Expenditures of Federal Awards**  
**Year Ended June 30, 2025**

<b>Federal Grantor/Pass-Through Grantor/ Program or Cluster Title</b>	<b>Assistance Listing Number</b>	<b>Award Number</b>	<b>Pass-through Entity Identifying Number</b>	<b>Federal Expenditures</b>
Centers for Disease Control and Prevention (Direct Award):				
"Networking2Save": CDC's National Network				
Approach to Preventing and Controlling Tobacco	93.431	1 NU58DP007621-01-00	N/A	\$ 240,746
Approach to Preventing and Controlling Tobacco	93.431	1 NU58DP007621-02-00	N/A	<u>505,301</u>
Total Centers for Disease Control and Prevention				<u>746,047</u>
Department of Health and Human Services				
(Pass-Through Award - ECOG-ACRIN Medical Research Foundation):				
Cancer Control Program	93.399	N/A	UG1CA189828	2,726
Cancer Control Program	93.399	N/A	UG1CA189828	<u>29,987</u>
Total Department of Health and Human Services				<u>32,713</u>
Health Resources & Services Administration				
(Pass-Through Award - AcademyHealth):				
Maternal on Child Health Foundation	93.110	N/A	1UJ6MC45789-01-00	89,792
Total expenditures of federal awards				<u>\$ 868,552</u>

**Patient Advocate Foundation**  
**Notes to Schedule of Expenditures of Federal Awards**  
June 30, 2025

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**Note 1 – Basis of Presentation**

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The accompanying schedule of expenditures of federal awards includes the federal grant activities of Patient Advocate Foundation under programs of the Federal government for the year ended June 30, 2025, and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of *Title 2 U.S. Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Because the schedule presents only a selected portion of the operations of Patient Advocate Foundation it is not intended to and does not present the financial position, changes in net assets, or cash flows of Patient Advocate Foundation.

**Note 2 – Expenditure Reporting and De Minimis Indirect Cost Rate**

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Expenditures reported on the schedule of expenditures of federal awards are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in OMB Circular A-122, Cost Principles for Nonprofit Organizations, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Patient Advocate Foundation has elected to use the 10% de minimis indirect cost rate as allowed under the Uniform Guidance.



## **Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance**

To the Board of Directors of  
Patient Advocate Foundation  
Hampton, Virginia

### **Report on Compliance for Each Major Federal Program**

#### *Opinion on Each Major Federal Program*

We have audited Patient Advocate Foundation's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Patient Advocate Foundation's major federal programs for the year ended June 30, 2025. Patient Advocate Foundation's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Patient Advocate Foundation complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2025.

#### *Basis for Opinion on Each Major Federal Program*

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Patient Advocate Foundation and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of Patient Advocate Foundation's compliance with the compliance requirements referred to above.

## *Responsibilities of Management for Compliance*

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Patient Advocate Foundation's federal programs.

## *Auditor's Responsibilities for the Audit of Compliance*

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Patient Advocate Foundation's compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Patient Advocate Foundation's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Patient Advocate Foundation's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Patient Advocate Foundation's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Patient Advocate Foundation's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

## Report on Internal Control over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



CERTIFIED PUBLIC ACCOUNTANTS

Newport News, Virginia  
January 8, 2026

**Patient Advocate Foundation**  
**Schedule of Findings and Questioned Costs**  
**June 30, 2025**

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## **A – Summary of Auditor’s Results**

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### *Financial Statements*

Type of report the auditor issued on whether the financial

statements audited were prepared in accordance with GAAP:

	<u>Unmodified</u>		
Internal control over financial reporting:	Yes	X	No
Material weaknesses identified?	Yes	X	No
Significant deficiency(s)?	Yes	X	None reported
Noncompliance material to financial statement noted?	Yes	X	No

### *Federal Awards*

Internal control over major federal programs:

Material weaknesses identified?	Yes	X	No
Significant deficiency(s)?	Yes	X	None reported
Noncompliance material to federal awards?	Yes	X	No

Type of auditor’s report issued on compliance for

major federal programs:

<u>Unmodified</u>		
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Any audit findings disclosed that are required to be reported in  
accordance with section 2 CFR 200.516 (a)?

Yes	X	No
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Dollar threshold used to distinguish between

Type A and Type B Programs

\$750,000

Auditee qualified as a low-risk auditee?

Yes	X	No
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Identification of major federal programs:

“Networking2Save”: CDC’s National Network Approach to Preventing and Controlling Tobacco-related Cancers in  
Special Populations (Assistance Listing #93.431)

**Patient Advocate Foundation**  
**Schedule of Findings and Questioned Costs**  
June 30, 2025

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**B – Findings – Financial Statement Audit**

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None noted.

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**C – Findings – Federal Audit**

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None noted.