

The THANC Foundation, Inc.

Financial Statements

December 31, 2024



INDEPENDENT AUDITORS' REPORT

**To the Board of Directors
of The THANC Foundation, Inc.**

Opinion

We have audited the accompanying financial statements of The THANC Foundation, Inc., which comprise the statement of financial position as of December 31, 2024, and the related statements of activities, functional expenses, and cash flows for the year 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 The THANC Foundation, Inc. as of December 31, 2024, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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 The THANC Foundation, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities 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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements 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.

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Auditors' Responsibilities for the Audit of the Financial Statements (*continued*)

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of The THANC Foundation, Inc.'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 The THANC Foundation, Inc.'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.

PKF O'Connor Davies, LLP

November 5, 2025

The THANC Foundation, Inc.

Statement of Financial Position
December 31, 2024

ASSETS

Cash and cash equivalents	\$ 926,659
Investments	4,966,903
Contributions receivable	68,609
Prepaid expenses	4,946
Property and equipment, net	<u>1,542</u>
	<u>\$ 5,968,659</u>

LIABILITIES AND NET ASSETS

Liabilities

Accounts payable and accrued expenses	\$ <u>79,225</u>
Total Liabilities	<u>79,225</u>

Net Assets

Without donor restrictions	5,728,510
With donor restrictions	<u>160,924</u>
Total Net Assets	<u>5,889,434</u>
	<u>\$ 5,968,659</u>

See Notes to Financial Statements

The THANC Foundation, Inc.

Statement of Activities
Year Ended December 31, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
PUBLIC SUPPORT AND REVENUE			
Contributions	\$ 499,550	\$ 56,000	\$ 555,550
Program revenue	57,679	-	57,679
In-kind	126,859	-	126,859
Special events, net of direct donor benefit expenses of \$117,591	320,165	-	320,165
Investment return	395,741	-	395,741
Net assets released from restrictions	<u>107,031</u>	<u>(107,031)</u>	<u>-</u>
Total Public Support and Revenue	<u>1,507,025</u>	<u>(51,031)</u>	<u>1,455,994</u>
EXPENSES			
Program services	1,003,302	-	1,003,302
General and administrative	294,112	-	294,112
Fundraising	<u>130,336</u>	<u>-</u>	<u>130,336</u>
Total Expenses	<u>1,427,750</u>	<u>-</u>	<u>1,427,750</u>
Change in Net Assets	79,275	(51,031)	28,244
NET ASSETS			
Beginning of year	<u>5,649,235</u>	<u>211,955</u>	<u>5,861,190</u>
End of year	<u>\$ 5,728,510</u>	<u>\$ 160,924</u>	<u>\$ 5,889,434</u>

See Notes to Financial Statements

The THANC Foundation, Inc.

Statement of Functional Expenses
Year Ended December 31, 2024

	Program Services	General and Administrative	Fundraising	Direct Donor Benefits	Total Expenses
Salaries, payroll taxes and benefits	\$ 305,965	\$ 149,632	\$ 61,585	\$ -	\$ 517,182
Professional fees	264,376	78,583	-	-	342,959
Honoraria	136,150	-	-	-	136,150
In-kind expenses	101,487	19,029	6,343	-	126,859
Head and neck cancer guide	95,277	-	-	-	95,277
General	20,024	19,102	-	-	39,126
Advertising	6,397	-	21,392	144	27,933
Patient support	26,754	-	-	-	26,754
Grants	21,099	-	-	-	21,099
Fundraising	-	-	17,539	-	17,539
Office supplies	14	14,182	3,449	-	17,645
Travel	12,572	448	6,877	-	19,897
Meals and entertainment	5,249	1,695	13,151	117,447	137,542
Insurance	-	4,351	-	-	4,351
Fellowship expense	4,030	-	-	-	4,030
Postage and printing	1,560	6,609	-	-	8,169
Thyroid database	2,348	-	-	-	2,348
Telephone	-	310	-	-	310
Depreciation and amortization	-	171	-	-	171
	<u>1,003,302</u>	<u>294,112</u>	<u>130,336</u>	<u>117,591</u>	<u>1,545,341</u>
Direct donor benefits	-	-	-	(117,591)	(117,591)
Total Expenses	<u>\$ 1,003,302</u>	<u>\$ 294,112</u>	<u>\$ 130,336</u>	<u>\$ -</u>	<u>\$ 1,427,750</u>

The THANC Foundation, Inc.

Statement of Cash Flows
Year Ended December 31, 2024

CASH FLOWS FROM OPERATING ACTIVITIES

Change in net assets	\$ 28,244
Adjustments to reconcile change in net assets to net cash from operating activities	
Depreciation and amortization	171
Net realized and unrealized gains on investments	395,741
Changes in operating assets and liabilities	
Contributions receivable	(68,609)
Prepaid expenses	26,989
Accounts payable and accrued expenses	43,091
Net Cash from Operating Activities	<u>425,627</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Purchases of equipment	(1,713)
Purchases of investments	(2,048,412)
Proceeds from sales of investments	<u>1,346,048</u>
Net Cash from Investing Activities	<u>(704,077)</u>

Net Change in Cash and Cash Equivalents (278,450)

CASH AND CASH EQUIVALENTS

Beginning of year	<u>1,205,109</u>
End of year	<u>\$ 926,659</u>

The THANC Foundation, Inc.

Notes to Financial Statements
December 31, 2024

1. Organization and Nature of Activities

The THANC Foundation, Inc. (the “Organization” or “THANC”) is a not-for-profit organization (501(c)(3)) incorporated in Delaware in 2003 and is committed to supporting research and education in the early detection and treatment of thyroid, head and neck cancer, advancing new therapeutic approaches; and alleviating the suffering and functional impairment of patients who undergo treatment.

The Organization’s program activities are as follows:

Head and Neck Research: The Organization, in conjunction with Mount Sinai Downtown, brings together a dedicated team made up of the foremost experts in treating and preventing head, neck and thyroid cancers. This team helps patients and their families to navigate through the most effective and technologically advanced and comfortable cancer evaluations and treatments available. Many clinical research studies are conducted each year with the hopes of ultimately improving outcomes for those presenting with complicated cancers of the head and neck region.

Thyroid Research: The purpose of this program is to increase our understanding of thyroid disease and thyroid cancer so that we may have a more profound impact on available treatments. Our goal is to understand the increased incidence of thyroid cancer, to better understand tumor behavior and which types of thyroid cancer are likely to recur or develop into more advanced disease. This program includes laboratory research and testing of clinical samples from patients to further understand the mechanisms of thyroid cancer.

Head and Neck Patient Support – THANC Guide: The Organization compiled an online resource, initially called the Head and Neck Cancer Guide which was completely revamped in 2020 and rebranded as the THANC (“Thyroid, Head and Neck Cancer”) Guide. The guide explains every part of the cancer journey starting with diagnosis, care recommendations, surgery, adjuvant therapy and life following treatment. Additional content focuses on the emotional journey - and the impact cancer diagnosis and treatment can have on the entire family as well as the patient. Content is also translated to Spanish to reach an underserved and even wider audience.

Thyroid International Recommendations Online (“TIRO”): This program is a global resource dedicated to advancing the understanding and treatment of thyroid disease and thyroid cancer. Developed by THANC, TIRO offers evidence-based recommendations, expert insights, and clinical discussions for physicians worldwide. Its flagship educational program, TIROxMDS, is a weekly webinar series that features leading experts sharing real-world cases, emerging research and multidisciplinary approaches to thyroid cancer care. Complimenting these programs, the Voices of Wisdom podcast features conversations with leading thyroid clinicians from around the world, offering thoughtful discussions on emerging research, evolving practices, and innovations in thyroid cancer care.

As the above program activities significantly overlap, the related costs to run these activities are all included in program services in the accompanying statement of activities.

The THANC Foundation, Inc.

Notes to Financial Statements
December 31, 2024

2. Summary of Significant Accounting Policies

Basis of Presentation and Use of Estimates

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”), which requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalents

Cash and cash equivalents exclusive of cash held for investments consist of cash and highly liquid debt instruments with a maturity of three months or less, at the time of purchase.

Net Asset Presentation

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets without Donor Restrictions – Net assets available for use in general operations and not subject to donor or certain grantor restrictions. Net assets without donor restrictions includes Board designated reserves.

Net Assets with Donor Restrictions – Net assets subject to donor-imposed or certain grantor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor.

Fair Value of Financial Instruments

The Organization follows U.S. GAAP guidance on *Fair Value Measurements* which defines fair value and establishes a fair value hierarchy organized into three levels based upon the input assumptions used in pricing assets. Level 1 inputs have the highest reliability and are related to assets with unadjusted quoted prices in active markets. Level 2 inputs relate to assets with other than quoted prices in active markets which may include quoted prices for similar assets or liabilities or other inputs which can be corroborated by observable market data. Level 3 inputs are unobservable inputs and are used to the extent that observable inputs do not exist.

Investments

Investments are reported at fair value in the statements of financial position based on reference to quoted market prices. Realized and unrealized gains and losses, as well as interest and dividend income are included in the change in net assets in the statements of activities.

The THANC Foundation, Inc.

Notes to Financial Statements
December 31, 2024

2. Summary of Significant Accounting Policies *(continued)*

Investments (continued)

In determining fair value, the Organization utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible.

Following is a description of the valuation methodologies used to measure fair value. There have been no changes in the methodologies used during the year ended December 31, 2024.

- Cash and cash equivalents: The carrying amount is a reasonable estimate of fair value.
- Equity and fixed-income securities: Valued at the closing price reported on the active markets on which the individual securities are traded.

Purchases and sales of securities are recorded on a trade date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Realized and unrealized gains include gains and losses on investments bought and sold as well as held during the year.

Promises to Give

Unconditional promises to give expected to be collected within one year are recorded at net realizable value. Unconditional promises to give expected to be collected in future years are initially recorded at fair value using present value techniques incorporating risk-adjusted discount rates applicable to the years in which the promises are received.

Amortization of the discount is included in contribution revenue. Conditional promises to give are not included as support until the conditions have been substantially met. The allowance for uncollectible promises to give is determined by management based upon historical experience, an assessment of the current economic environment, and analysis of subsequent events. As of December 31, 2024, management determined that no allowance was necessary.

Contributions

Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Contributions that are restricted by the donor are reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the contribution is recognized. All other donor restricted contributions are reported as an increase in net assets with donor restrictions, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or a purpose restriction is accomplished), 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 restrictions.

The THANC Foundation, Inc.

Notes to Financial Statements
December 31, 2024

2. Summary of Significant Accounting Policies (*continued*)

Revenue from Contracts with Customers

The Organization recognizes revenue in an amount that reflects the consideration that is expected to be received for services when its performance obligations are satisfied by transferring control of those promised services to its customers. Revenue for the Organization is applied through the following five-step process:

1. Identify the contract(s) with a customer.
2. Identify the performance obligation in the contract.
3. Determine the transaction price.
4. Allocate the transaction price to the performance obligations in the contract.
5. Recognize revenue when (or as) the entity satisfies a performance obligation.

The Organization disaggregates revenue from contracts with customers by type of revenue source, as detailed on the statements of activities for December 31, 2024.

The Organization generates program revenue from the performance of research and related support services for its customers. Program revenue is reported at the amount that reflects the consideration to which the Organizations expects to be entitled in exchange for providing these services. Amounts earned are due from third-party payors.

Special events revenue is derived primarily from the sales of tickets and sponsorships related to each event.

The Organization recognizes revenue as its performance obligations are completed. The performance obligations are satisfied at the time the customer simultaneously receives and consumes the benefits of the services provided. Typically, program revenue fees are billed monthly, and payments are due based on contract terms which are generally at the time the service is provided. For special events revenue, amounts collected in advance of an event are deferred and recognized as revenue when the event occurs.

There are no contract assets or contract liabilities at December 31, 2024 and 2023.

Practical Expedients

Customer payment terms are typically less than one year and as such, the Organization has applied the practical expedient to exclude consideration of significant financing components from the determination of the transaction price. If taxes are collected from customers and remitted to governmental authorities, they are excluded from net sales. Costs to obtain a contract are generally immaterial, but the Organization has elected the practical expedient to expense these costs as incurred if the amortization period of the capitalized cost would be one year or less. As permitted by the guidance, the Organization has applied a portfolio approach to evaluating the customer's ability to pay, rather than evaluating each customer's ability to pay separately.

The THANC Foundation, Inc.

Notes to Financial Statements
December 31, 2024

2. Summary of Significant Accounting Policies (*continued*)

Donated Services

The Organization receives significant internet key word identification services from Google AdWords, which are measured and reported at fair value. During the year ended December 31, 2024, donated services recognized in the financial statements totaled \$126,859 and is reported as in-kind revenue in the accompanying statement of activities.

Property and Equipment

Property and equipment additions are recorded at cost or, if donated, at the estimated fair value at the date of receipt. The Organization capitalizes all property and equipment additions over \$1,000. Depreciation is computed using the straight-line method over the estimated useful lives of the assets ranging from three to forty years. When assets are sold or otherwise disposed of, the asset and related accumulated depreciation are removed from the accounts, and any remaining gain or loss is included in operations. Repairs and maintenance are charged to expense accounts when incurred.

Advertising Costs

Advertising costs are expensed as incurred.

Functional Allocation of Expenses

The costs of conducting its programs and supporting services activities of the Organization have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Salaries and fringe benefits are allocated based on employee time and effort. Common costs such as occupancy, depreciation and the like are allocated pro-rata based on headcount or total costs incurred. Certain costs have been allocated among the various programs and supporting services based on estimates made by management.

Accounting for Uncertainty in Income Taxes

The Organization is exempt from Federal income tax under Section 501(c)(3) of the Internal Revenue Code (the "IRC"). However, income not directly related to the Organization's tax-exempt purpose is subject to taxation as unrelated business income. The Organization had no significant taxable income or income tax expense during the current year.

The Organization believes it has conducted its operations in accordance with, and has properly maintained, its tax-exempt status. The Organization does not believe that it has any uncertain tax positions at December 31, 2024. The Organization is no longer subject to examinations by applicable taxing jurisdictions for periods prior to December 31, 2021.

The THANC Foundation, Inc.

Notes to Financial Statements
December 31, 2024

3. Concentrations

The Organization maintains cash and money market balances in banks. These balances are insured by the Federal Deposit Insurance Corporation (“FDIC”). At times, cash balances may be in excess of the balances insured by the FDIC. As of December 31, 2024, the uninsured deposits held in banks was \$0. Investment holdings at financial institutions insured by the Securities Investor Protection Corporation (“SIPC”) are insured up to \$500,000. As of December 31, 2024, the Organization’s uninsured investment holdings totaled approximately \$5,231,000.

4. Liquidity and Availability of Financial Assets

Total financial assets available to meet cash needs for general expenditures within one year at December 31, 2024 are as follows:

Cash and cash equivalents	\$ 926,659
Investments	4,966,903
Contributions receivable	<u>68,609</u>
Financial assets as of year end	5,962,171
Less amounts unavailable for general expenditures due to:	
Subject to donor purpose restrictions	<u>(160,924)</u>
Financial Assets as of Year End Available to Meet Needs for General Expenditures	<u>\$ 5,801,247</u>

As part of the Organization’s liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In addition, the Organization invests cash more than its current requirements in a portfolio of investments designed to maximize long-term earnings with acceptable risk to management principal.

5. Contributions Receivable

Contributions receivable of \$68,609 at December 31, 2024 represent unconditional promises to give as of December 31, 2024 that were not paid in full prior to December 31, 2024. All amounts are due within one year.

The THANC Foundation, Inc.

Notes to Financial Statements
December 31, 2024

6. Investments

The following table sets forth by level, within the fair value hierarchy, the Organization's investments at fair value as of December 31, 2024:

	Level 1	Level 2	Total
Equities	\$ 2,140,773	\$ -	\$ 2,140,773
Fixed income	-	2,826,130	2,826,130
	<u>\$ 2,140,773</u>	<u>\$ 2,826,130</u>	<u>\$ 4,966,903</u>

The Organization's primary investment objective is capital preservation while earning investment returns that are commensurate with a conservative risk tolerance.

Net investment return consists of interest and dividend income, and unrealized and realized gains, net of investment fees, and totaled \$395,741 for the year ended December 31, 2024.

7. Equipment, net

Equipment consists of the following as of December 31, 2024:

Office equipment	\$ 14,451
Less: accumulated depreciation	(12,909)
	<u>\$ 1,542</u>

8. Net Assets With Donor Restrictions

Net assets with donor restrictions consisted of the following as of December 31, 2024:

Gutierrez Tribute Research and Education	\$ 356
Linda Swalling Fund	160,568
	<u>\$ 160,924</u>

Net assets released from donor restrictions consisted of the following for the year ended December 31, 2024:

Gutierrez Tribute Research and Education	\$ 21,649
Linda Swalling Fund	63,408
Documentary for filming	21,974
	<u>\$ 107,031</u>

The THANC Foundation, Inc.

Notes to Financial Statements
December 31, 2024

9. Retirement Plan

Effective January 1, 2009, the Organization adopted a 401(k) retirement plan (the "Plan") covering all eligible employees, as defined in the Plan document. Once eligible, employees have the option to contribute from one to ninety-six percent of their annual salary into the Plan. The Organization will match up to five percent of an employee's contribution into the Plan. Contributions by employees and the Organization can be made up to the limits specified under Internal Revenue Code Section 401(k). Matching contributions amounted to \$16,732 for the year ended December 31, 2024.

10. Employee Retention Credit

The Organization qualified for the Employee Retention Credit ("ERC") which is a refundable payroll tax credit for employers who had operations fully or partially suspended due to orders from a governmental authority or whose revenues decreased by a specified threshold. If eligible, an entity could claim a refund in excess of the payroll taxes paid based upon the amount of qualified wages and health insurance paid. Because the amount of the credit is in excess of the payroll taxes paid, the ERC is considered a conditional government grant. Accordingly, THANC elected to follow the guidance in Accounting Standards Codification ("ASC") 958-605 in which conditional government grants are recognized in income as conditions are met. THANC recognized ERC revenue of \$56,678 during the year ended December 31, 2023. The ERC is subject to audit by the Internal Revenue Service through 2027.

11. Contributed Nonfinancial Assets

THANC recognizes contributed nonfinancial assets as in-kind revenue. For the year ended December 31, 2024, contributed nonfinancial assets recognized within the statement of activities included search engine optimization of \$126,859. Search engine optimization are services donated by Google Adwords, which is a pay-per-click online advertising platform that allows advertisers to display their ads on the top of Google's search engine results page. The value of this service is determined by Google who does not charge the Organization for their services. A corresponding expense is included in the accompanying statement of functional expenses.

12. Related Party Transactions

Contribution revenue included approximately \$245,000 from members of the Organization's Board of Directors during the year ended December 31, 2024.

In addition, there is a related party who volunteers significant time and services to the Organization. During the year ended December 31, 2024, this related party received an honorarium from the Organization and was reimbursed for certain expenses, for which the aggregate total was \$12,788.

13. Commitment and Contingencies

The Organization is subject to claims and lawsuits that arise primarily in the ordinary course of business. It is the opinion of management that the disposition or ultimate resolution of such claims and lawsuits will not have a material adverse effect on the financial position or operations of the Organization.

The THANC Foundation, Inc.

Notes to Financial Statements
December 31, 2024

14. Subsequent Events Evaluation by Management

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through the date that the financial statements were available to be issued, which date is November 5, 2025.
