



Delivering Joy to Children in Need

THE TOY FOUNDATION, INC.

FINANCIAL STATEMENTS

For the Years Ended December 31, 2025 and 2024

THE TOY FOUNDATION, INC.

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Independent Auditors' Report

The Board of Directors
The Toy Foundation, Inc.

Opinion

We have audited the financial statements of The Toy Foundation, Inc. (the "Foundation"), which comprise the statements of financial position as of December 31, 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 (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of The Toy Foundation, Inc. as of December 31, 2025 and 2024, and the changes in its net assets and its 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 ("GAAS"). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Foundation 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 Foundation's ability to continue as a going concern for one year after the date that the financial statements are 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 GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the 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 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 the 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.

CBIZ CPAs P.C.

Washington, DC
May 28, 2026

THE TOY FOUNDATION, INC.

STATEMENTS OF FINANCIAL POSITION

December 31, 2025 and 2024

	<u>2025</u>	<u>2024</u>
Assets		
Cash and cash equivalents	\$ 825,042	\$ 448,489
Investments	2,665,467	3,047,095
Contributions receivable	97,210	130,214
Prepaid expenses	<u>252,231</u>	<u>347,089</u>
Total Assets	<u>\$ 3,839,950</u>	<u>\$ 3,972,887</u>
Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued expenses	\$ 50,463	\$ 22,461
Grants payable	600,000	415,469
Due to The Toy Association, Inc.	116,942	931,030
Refundable advances	<u>402,625</u>	<u>188,630</u>
Total Liabilities	<u>1,170,030</u>	<u>1,557,590</u>
Net Assets		
Without donor restrictions	2,639,945	2,393,197
With donor restrictions	<u>29,975</u>	<u>22,100</u>
Total Net Assets	<u>2,669,920</u>	<u>2,415,297</u>
Total Liabilities and Net Assets	<u>\$ 3,839,950</u>	<u>\$ 3,972,887</u>

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

THE TOY FOUNDATION, INC.

STATEMENTS OF ACTIVITIES

For the Years Ended December 31, 2025 and 2024

	2025	2024
Activities Without Donor Restrictions		
Revenue and Support		
Contributions	\$ 925,204	\$ 599,457
Party with a Purpose special event revenue, net of costs of direct benefits to donors of \$141,015 in 2025 and \$413,510 in 2024	109,985	98,542
TOTY special event revenue, net of costs of direct benefits to donors of \$594,920 in 2025	457,078	--
Contributions of non-financial assets	31,344,294	35,346,524
Total Revenue and Support	32,836,561	36,044,523
Expenses		
Program Services		
Children's Hospital Program	657,985	441,476
Emergency grants	54,745	1,000
Toy Chest	31,089,172	35,233,455
Diversity, Equity & Inclusion	--	44,768
Other	--	10,000
Total Program Services	31,801,902	35,730,699
Supporting Services		
General and administrative	519,863	544,540
Fundraising	592,097	350,952
Total Supporting Services	1,111,960	895,492
Total Expenses	32,913,862	36,626,191
Change in Net Assets Without Donor Restrictions From Operations	(77,301)	(581,668)
Net investment return	324,049	226,017
Change in Net Assets Without Donor Restrictions	246,748	(355,651)
Activities with Donor Restrictions		
Contributions	7,875	22,100
Change in Net Assets With Donor Restrictions	7,875	22,100
Change in Net Assets	254,623	(333,551)
Net Assets, Beginning of Year	2,415,297	2,748,848
Net Assets, End of Year	\$ 2,669,920	\$ 2,415,297

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

THE TOY FOUNDATION, INC.

STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended December 31, 2025

	Program Services					Supporting Services				
	Children's Hospital Program	Emergency Grants	Toy Chest	Diversity, Equity & Inclusion	Other	Total Program Services	General and Administrative	Fundraising	Total Supporting Services	Total
Salaries and related benefits	\$ 39,760	\$ 4,745	\$ 54,784	\$ --	\$ --	\$ 99,289	\$ 298,677	\$ 326,996	\$ 625,673	\$ 724,962
In-kind administrative support	--	--	--	--	--	--	115,085	197,020	312,105	312,105
Toy donations	--	--	31,032,189	--	--	31,032,189	--	--	--	31,032,189
Grants	607,362	50,000	--	--	--	657,362	--	--	--	657,362
Donations	--	--	--	--	--	--	1,109	--	1,109	1,109
Professional services	--	--	--	--	--	--	77,149	32,000	109,149	109,149
Other expenses	10,863	--	2,199	--	--	13,062	27,843	36,081	63,924	76,986
Events	--	--	--	--	--	--	--	735,935	735,935	735,935
	<u>657,985</u>	<u>54,745</u>	<u>31,089,172</u>	<u>--</u>	<u>--</u>	<u>31,801,902</u>	<u>519,863</u>	<u>1,328,032</u>	<u>1,847,895</u>	<u>33,649,797</u>
Less expenses deducted directly from revenues on the statements of activities	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>(735,935)</u>	<u>(735,935)</u>	<u>(735,935)</u>
Total	<u>\$ 657,985</u>	<u>\$ 54,745</u>	<u>\$ 31,089,172</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 31,801,902</u>	<u>\$ 519,863</u>	<u>\$ 592,097</u>	<u>\$ 1,111,960</u>	<u>\$ 32,913,862</u>

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

THE TOY FOUNDATION, INC.

STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended December 31, 2024

	Program Services					Supporting Services				
	Children's Hospital Program	Emergency Grants	Toy Chest	Diversity, Equity & Inclusion	Other	Total Program Services	General and Administrative	Fundraising	Total Supporting Services	Total
Salaries and related benefits	\$ 34,304	\$ --	\$ 49,106	\$ 43,069	\$ --	\$ 126,479	\$ 364,421	\$ 269,946	\$ 634,367	\$ 760,846
In-kind administrative support	--	--	--	--	--	--	94,169	65,342	159,511	159,511
Toy donations	715	1,000	35,184,349	849	--	35,186,913	--	--	--	35,186,913
Grants	405,469	--	--	--	10,000	415,469	--	--	--	415,469
Donations	--	--	--	--	--	--	10,000	--	10,000	10,000
Professional services	--	--	--	--	--	--	43,797	--	43,797	43,797
Other expenses	988	--	--	850	--	1,838	32,153	15,664	47,817	49,655
Events	--	--	--	--	--	--	--	413,510	413,510	413,510
	<u>441,476</u>	<u>1,000</u>	<u>35,233,455</u>	<u>44,768</u>	<u>10,000</u>	<u>35,730,699</u>	<u>544,540</u>	<u>764,462</u>	<u>1,309,002</u>	<u>37,039,701</u>
Less expenses deducted directly from revenues on the statements of activities	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>(413,510)</u>	<u>(413,510)</u>	<u>(413,510)</u>
Total	<u>\$ 441,476</u>	<u>\$ 1,000</u>	<u>\$ 35,233,455</u>	<u>\$ 44,768</u>	<u>\$ 10,000</u>	<u>\$ 35,730,699</u>	<u>\$ 544,540</u>	<u>\$ 350,952</u>	<u>\$ 895,492</u>	<u>\$ 36,626,191</u>

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

THE TOY FOUNDATION, INC.

STATEMENTS OF CASH FLOWS

For the Years Ended December 31, 2025 and 2024

	<u>2025</u>	<u>2024</u>
Cash Flows From Operating Activities		
Change in net assets	\$ 254,623	\$ (333,551)
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities:		
Net gain on investments	(247,701)	(148,610)
Depreciation and amortization	--	2,351
Changes in assets and liabilities:		
Contributions receivable	33,004	54,776
Prepaid expenses	94,858	(335,378)
Accounts payable and accrued expenses	28,002	(32,980)
Grants payable	184,531	35,416
Due to The Toy Association, Inc.	(814,088)	816,947
Refundable advances	213,995	188,630
	<u>(252,776)</u>	<u>247,601</u>
Net Cash (Used in) Provided by Operating Activities		
	<u>(252,776)</u>	<u>247,601</u>
Cash Flows From Investing Activities		
Purchases of investments	(306,779)	(937,359)
Proceeds from sales and maturities of investments	936,108	878,232
	<u>629,329</u>	<u>(59,127)</u>
Net Cash Provided by (Used in) Investing Activities		
	<u>629,329</u>	<u>(59,127)</u>
Net Increase in Cash and Cash Equivalents	376,553	188,474
Cash and Cash Equivalents, Beginning of Year	<u>448,489</u>	<u>260,015</u>
Cash and Cash Equivalents, End of Year	<u>\$ 825,042</u>	<u>\$ 448,489</u>

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

THE TOY FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS

For the Years Ended December 31, 2025 and 2024

NOTE 1 – NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

NATURE OF ACTIVITIES

The Toy Foundation, Inc. (“the Foundation”) is a nonprofit organization dedicated to bringing joy and comfort to children in need through the experience of toys and play. The Foundation operates several programs that serve children who are sick, impoverished, in foster care, or those suffering in the wake of natural disasters. The Foundation makes cash grants to various organizations to enhance the work these organizations do on behalf of children in need. The Foundation’s major programs are as follows:

Children’s Hospital Program

The Children’s Hospital Program brings the healing power of play to children in hospital settings, especially those in underserved communities.

Diversity, Equity & Inclusion Program

The Foundation works with a network of colleges and universities across the country to attract diverse, young talent to career pathways in the toy industry. The Foundation engages toy industry professionals across business sectors, career levels, and personal backgrounds to illustrate the variety of exciting career opportunities and place students in internships and first-hire positions.

Emergency Grants Program

The Emergency Grants Program brings the healing power of play to children and families in the wake of natural disasters, domestic upheaval and other humanitarian crises.

Toy Chest Program

The Foundation’s signature program delivering play to children in need, the Toy Chest is the toy industry’s year-round corporate social responsibility and inventory management solution for product donations. The Foundation collects toys from manufacturers, retailers, and distributors, which are donated to children’s charities nationwide and across the globe.

A summary of the Foundation’s significant accounting policies follows:

BASIS OF ACCOUNTING

The accompanying financial statements have been prepared on the accrual basis of accounting, in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”).

THE TOY FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS

For the Years Ended December 31, 2025 and 2024

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

BASIS OF PRESENTATION

The financial statement presentation follows the Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”). As required by the Non-Profit Entities Topic of the FASB ASC, the Foundation is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

Net assets without donor restrictions: Net assets without donor restrictions include undesignated funds that are available for the support of the Foundation’s activities and are not subject to donor-imposed restrictions.

Net assets with donor restrictions: Net assets with donor restrictions result from contributions and other inflows of assets whose use by the Foundation is limited by donor-imposed stipulations. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with restrictions are reclassified to net assets without restrictions and reported in the statements of activities as net assets released from restrictions. However, if a restriction is fulfilled in the same time period in which the contribution is received, the Foundation reports the support as without donor restrictions. As of December 31, 2025 and 2024, the Foundation’s net assets with donor restrictions consisted of funds to be used for the Richard Gottlieb grant program.

USE OF ESTIMATES

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

CASH AND CASH EQUIVALENTS

The Foundation considers all highly liquid debt instruments with a maturity of three months or less when purchased to be cash equivalents.

The Foundation maintains demand deposits with commercial banks and money market funds with financial institutions. At times, certain balances held within these accounts may not be fully guaranteed or insured by the U.S. federal government. The uninsured portions of cash and money market accounts are backed solely by the assets of the underlying institution. As such, the failure of an underlying institution could result in financial loss to the Foundation.

CONTRIBUTIONS RECEIVABLE

Contributions receivable consist primarily of donor pledges and other receivables related to the Toy of the Year (“TOTY”) and Party with a Purpose events. Generally, contributions receivable are due within one year. Thus, contributions receivable are recognized at the net realizable value. Any

THE TOY FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS

For the Years Ended December 31, 2025 and 2024

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

CONTRIBUTIONS RECEIVABLE (CONTINUED)

potential discount to present value related to contributions receivable would be insignificant and have not been recorded. Management periodically reviews the status of all balances for collectability and provides for probable losses using the allowance method. The allowance is determined based on management's experience and collection efforts. As of December 31, 2025 and 2024, no allowance for doubtful accounts was recorded.

INVESTMENTS

Investments are reported at their fair value. Interest income, dividends, and both realized and unrealized investment gains and losses are included in investment income in the accompanying statements of activities.

The Foundation invests in a professionally managed portfolio that contains various types of marketable securities, as detailed in Note 2. Such investments are exposed to various risks, such as fluctuations in market value and credit risks. As a result, the investment balances reported in the financial statements may not be reflective of the portfolio's value during subsequent periods.

FAIR VALUE MEASUREMENTS

Fair value measurements are based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In order to increase consistency and comparability in fair value measurements, a fair value hierarchy prioritizes observable and unobservable inputs used to measure fair value into three levels.

The fair value hierarchy defines the three levels as follows:

- Level 1:** Valuations based on quoted prices (unadjusted) in an active market that are accessible at the measurement date for identical assets or liabilities. The fair value hierarchy gives the highest priority to Level 1 inputs.
- Level 2:** Valuations based on observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in inactive markets; or model-derived valuations in which all significant inputs are observable or can be derived principally from or corroborated with observable market data.
- Level 3:** Valuations based on unobservable inputs are used when little or no market data exists. The fair value hierarchy gives the lowest priority to Level 3 inputs.

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

The availability of observable market data is monitored to assess the appropriate classification of financial instruments within the fair value hierarchy. Changes in economic conditions or model-based valuation techniques may require the transfer of financial instruments from one fair value level to another. In such instances, the transfer is reported at the end of the reporting period.

THE TOY FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS

For the Years Ended December 31, 2025 and 2024

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

INTANGIBLE ASSETS

Intangible assets are stated at cost at the date of acquisition. The Foundation capitalizes intangible assets with a cost of \$500 or more and a useful life of greater than one year. As of December 31, 2025 and 2024, the Foundation's intangible assets consisted of capitalized software with both a cost basis and accumulated amortization of \$42,313 as of each date.

REVENUE AND SUPPORT

Contributions of cash, toys, salaries and related benefits are recorded as support when received or promised unconditionally at their estimated fair value.

Fair value with respect to toys is initially supplied by the donor and is generally determined based on the price that the recipient charity would pay in the normal marketplace. Donated salaries and benefits provided by The Toy Association (the Association) are recognized at the costs incurred by the Association, which is deemed to approximate fair value.

Unconditional contributions, including those from the Association, are recorded at the net realizable value. Conditional contributions, which are dependent upon the occurrence of future events, are recorded as refundable advances until the underlying conditions are satisfied.

Funds received in connection with the Toy of the Year ("TOTY") and Party with a Purpose events are initially recorded as a liability and included in the accompanying statements of financial position as refundable advances, and consist of registration fees, nomination fees, journal ads and sponsorships. Expenditures incurred in connection with these events are initially deferred and included in the accompanying statements of financial position as prepaid expenses. Revenues, net of direct expenses, are recognized in the accompanying statements of activities in the year the event is held. The direct costs of the events include expenses for the benefit of the donors.

MEASURE OF OPERATIONS

The Foundation classifies investment income and losses to be nonoperating items.

FUNCTIONAL ALLOCATION OF EXPENSES

The costs of providing the various programs and supporting services have been summarized on a functional basis in the accompanying statements of activities. The primary allocable costs are salaries and benefits. These costs are allocated based primarily on estimates of where employees spend their time and effort.

INCOME TAX STATUS

The Foundation is a qualified organization exempt from the payment of federal income taxes on its exempt activities under Section 501(c)(3) of the Internal Revenue Code ("IRC") and is not a private foundation under Section 509(a)(1). However, the Foundation is taxed on any unrelated business income.

THE TOY FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS

For the Years Ended December 31, 2025 and 2024

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

INCOME TAX STATUS (CONTINUED)

Based on the Foundation's results of operations for the years ended December 31, 2025 and 2024, no provision for income taxes or uncertain tax positions is required or has been made in the accompanying financial statements.

As of December 31, 2025, there were tax years open that could be subjected to review by federal and state taxing authorities. However, there are currently no examinations pending or in progress. It is the Foundation's policy to recognize interest and/or penalties related to uncertainty in income taxes, if any, in income tax or interest expense. As of December 31, 2025 and 2024, the Foundation had no accruals for interest and/or penalties.

NOTE 2 – INVESTMENTS

The following tables set forth, by level within the fair value hierarchy where applicable, the Organization's investments at fair value as of December 31, 2025 and 2024:

December 31, 2025	Fair Value	Quoted Prices in Active Markets for Identical Assets/ Liabilities (Level 1)	Significant Other Observable Inputs (Level 2)
Investments at fair value:			
International large blend mutual fund	\$ 330,936	\$ 330,936	\$ --
International growth mutual fund	376,916	376,916	--
U.S. large capital value mutual fund	240,090	240,090	--
U.S. large capital growth mutual fund	246,548	246,548	--
U.S. small capital growth mutual fund	159,896	159,896	--
U.S. small capital value mutual fund	228,560	228,560	--
REIT fund	190,848	190,848	--
Fixed income bond funds	891,673	891,673	--
Total Investments at Fair Value	\$ 2,665,467	\$ 2,665,467	\$ --

THE TOY FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS

For the Years Ended December 31, 2025 and 2024

NOTE 2 – INVESTMENTS (CONTINUED)

December 31, 2024	Fair Value	Quoted Prices in Active Markets for Identical Assets/Liabiliti es (Level 1)	Significant Other Observable Inputs (Level 2)
Investments at fair value:			
International large blend mutual fund	\$ 333,249	\$ 333,249	\$ --
International growth mutual fund	408,026	408,026	--
U.S. large capital value mutual fund	372,530	372,530	--
U.S. large capital growth mutual fund	283,653	283,653	--
U.S. small capital growth mutual fund	180,302	180,302	--
U.S. small capital value mutual fund	249,573	249,573	--
REIT fund	241,592	241,592	--
Fixed income bond funds	<u>978,170</u>	<u>978,170</u>	<u>--</u>
Total Investments at Fair Value	<u>\$ 3,047,095</u>	<u>\$ 3,047,095</u>	<u>\$ --</u>

Investments in equity mutual funds, fixed income and real estate funds are valued using market prices in active markets and are classified as Level 1. Level 1 instrument valuations are obtained from real-time quotes for transactions in active exchange markets involving identical assets.

NOTE 3 – LIQUIDITY AND AVAILABILITY

The Foundation’s process of liquidity management calls for the Foundation to maintain sufficient liquid financial assets in order to readily meet general expenditures and obligations as they become due. In addition, the Foundation has a goal to maintain long-term reserve funds that retain any excess cash above \$1 million. The reserve funds are invested in various securities in accordance with the Foundation’s investment policy. Management of the Foundation periodically reviews the Foundation’s liquid asset needs and adjusts the cash and cash equivalent balances as necessary.

THE TOY FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS

For the Years Ended December 31, 2025 and 2024

NOTE 3 – LIQUIDITY AND AVAILABILITY (CONTINUED)

The following provides a summary of financial assets available for general expenditures within one year at December 31:

	<u>2025</u>	<u>2024</u>
Cash and cash equivalents	\$ 825,042	\$ 448,489
Investments	2,665,467	3,047,095
Contributions receivable	<u>97,210</u>	<u>90,214</u>
	3,587,719	3,585,798
Less: Net assets with donor restrictions	<u>(29,975)</u>	<u>(22,100)</u>
Financial Assets Available to Meet General Expenditures Within One Year	<u><u>\$ 3,557,744</u></u>	<u><u>\$ 3,563,698</u></u>

NOTE 4 – GRANT EXPENSE/PAYABLE

During 2025 and 2024, the Foundation made cash grants to charities that support children in need as follows:

CHILDREN'S HOSPITAL PROGRAM

The Foundation made cash grants in 2025 to 37 children's hospitals totaling \$607,362 for the year ended December 31, 2025 and 23 children's hospitals totaling \$405,469 for the year ended December 31, 2024.

Grants payable totaled \$600,000 and \$415,469 as of December 31, 2025 and 2024. These grants primarily related to amounts to be paid to various children's hospitals.

NOTE 5 – RELATED PARTY TRANSACTION

Donations of contributed services and cash received from the Association for the years ended December 31, 2025 and 2024, were:

	<u>2025</u>	<u>2024</u>
Personnel and staff support	\$ 270,105	\$ 123,016
Occupancy and other expenses	<u>42,000</u>	<u>42,000</u>
	312,105	165,016
Other cash support	<u>567,500</u>	<u>414,000</u>
Total Expenses	<u><u>\$ 879,605</u></u>	<u><u>\$ 579,016</u></u>

THE TOY FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS

For the Years Ended December 31, 2025 and 2024

NOTE 5 – RELATED PARTY TRANSACTION (CONTINUED)

Contributed services received from the Association are recorded at the Association's cost. The Association contributes in-kind services, office space and cash to the Foundation, in addition to permitting the use of its intellectual property for fundraising by the Foundation. The Foundation and the Association formalized its relationship in an operating affiliation agreement in February 2020.

Amounts due to or receivable from, the Association in the accompanying statements of financial position at December 31, 2025 and 2024, represent expenses paid or fundraising monies received by the Association on behalf of the Foundation. As of December 31, 2025 and 2024, the amount due to the Association was \$116,942 and \$931,030, respectively.

NOTE 6 – CONTRIBUTIONS OF NON-FINANCIAL ASSETS

For the years ended December 31, 2025 and 2024, non-financial assets recognized within the statements of activities included the following:

	<u>2025</u>	<u>2024</u>
Toy Chest product donations	\$ 31,032,189	\$ 35,186,913
Administrative support	<u>312,105</u>	<u>159,611</u>
Total	<u><u>\$ 31,344,294</u></u>	<u><u>\$ 35,346,524</u></u>

Toy Chest product donations are received from member companies of the Association for distribution to various charities to serve children in need. Toy Chest product donations are valued based on the current selling prices as shown by major U.S. retailers on the date of donation.

Contributed administrative support is provided by the Association to support the functioning of the Foundation. Contributed administrative support is valued based on the costs incurred by the Association to provide the services.

All gifts-in-kind received during the years ended December 31, 2025 and 2024 were without donor restrictions.

NOTE 7 – RECLASSIFICATIONS

Certain 2024 balances have been reclassified from their previous presentation for comparative purposes. These reclassifications had no impact on the previously reported changes in net assets for the year ended December 31, 2024.

THE TOY FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS

For the Years Ended December 31, 2025 and 2024

NOTE 8 – SUBSEQUENT EVENTS

The Foundation has evaluated all subsequent events through May 28, 2026, the date these financial statements were available to be issued. No events requiring recognition or disclosure in the financial statements have been identified.