Audited Financial Statements

THE TOY FOUNDATION, INC.

December 31, 2018

Contents

TATE
&
TRYON
A Professional Corporation
Certified Public Accountants and Consultants
2021 L Street, NW
Suite 400
Washington, DC 20036
Telephone 202/293-2200
Facsimile 202/293-2208
www.tatetryon.com

Independent Auditor's Report

To the Board of Trustees
The Toy Foundation, Inc.

We have audited the accompanying financial statements of The Toy Foundation, Inc. (the Foundation), which comprise the statements of financial position as of December 31, 2018 and 2017, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Foundation's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Toy Foundation, Inc. as of December 31, 2018 and 2017, 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.

Adoption of Accounting Standards Update 2016-14

As described in Note A to the financial statements, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities* (ASU 2016-14). As required by the FASB, the Foundation adopted the provisions of ASU 2016-14 during the year ended December 31, 2018. In addition to changes in terminology used to describe categories of net assets throughout the financial statements, new disclosures were added regarding liquidity and the availability of resources. There was no change in the Foundation's previously reported change in net assets as a result of the adoption of the ASU. Our opinion is not modified with respect to this matter.

Tate & Tryon

Washington, DC
April 15, 2019

December 31,	2018	2017
Assets		
Cash and cash equivalents	**$ 1,724,823**	$ 1,445,237
Restricted cash	**-**	6,716
Investments	**1,681,987**	1,121,741
Accounts Receivable	**164,968**	158,217
Due from/(to) The Toy Association, Inc., net	**169,551**	58,776
Prepaid expenses	**173,688**	214,112
Total assets	**$ 3,915,017**	$ 3,004,799
Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued expenses	**$ 17,176**	$ 15,227
Grants payable	**225,000**	331,716
Deferred income	**239,335**	158,680
Total liabilities	**481,511**	505,623
Commitments and contingencies	**-**	-
Net assets		
Without donor restrictions	**3,345,282**	2,499,176
With donor restrictions	**88,224**	-
Total net assets	**3,433,506**	2,499,176
Total liabilities and net assets	**$ 3,915,017**	$ 3,004,799

Statements of Activities

Years Ended December 31,	2018			2017		
	Activities Without Donor Restrictions	**Activities With Donor Restrictions**	**Total**	**Activities Without Donor Restrictions**	**Activities With Donor Restrictions**	**Total**
Revenue						
In-kind donations - Toy Bank	**$ 22,620,720**	**$ -**	**$ 22,620,720**	$ 14,884,459	$ -	$ 14,884,459
In-kind donations - public service announcements	**17,699,949**	**-**	**17,699,949**	8,024,647	-	8,024,647
TOTY special event revenue, net of costs of direct						-
benefits to donors	**315,315**	**-**	**315,315**	496,661	-	496,661
Donations from The Toy Association, Inc.	**828,154**	**-**	**828,154**	775,442	-	775,442
Online Holiday Retail Campaign	**465,000**	**-**	**465,000**	485,000	-	485,000
Other donations	**179,976**	**-**	**179,976**	141,799	-	141,799
Grant revenue	**-**	**100,000**	**100,000**	-	-	-
Other income	**184,450**	**-**	**184,450**	-	-	-
Investment (loss) income	**(107,209)**	**-**	**(107,209)**	125,286	-	125,286
Net assets released from restriction	**11,776**	**(11,776)**	**-**	2,609	(2,609)	-
Total revenue and support	**42,198,131**	**88,224**	**42,286,355**	24,935,903	(2,609)	24,933,294
Expenses						
Program services						
Toy Bank	**22,695,149**	**-**	**22,695,149**	14,980,441	-	14,980,441
Genius of Play	**17,699,949**	**-**	**17,699,949**	8,024,647	-	8,024,647
Play Your Part	**162,436**	**-**	**162,436**	33,330	-	33,330
National partners	**16,281**	**-**	**16,281**	265,969	-	265,969
Children's hospital program	**48,844**	**-**	**48,844**	472,906	-	472,906
Other program activities	**20,671**	**-**	**20,671**	21,027	-	21,027
	40,643,330	-	**40,643,330**	23,798,320	-	23,798,320
Supporting Services						
General and administrative	**256,899**	**-**	**256,899**	301,505	-	301,505
Fundraising	**451,796**	**-**	**451,796**	382,710	-	382,710
	708,695	**-**	**708,695**	684,215	-	684,215
Total expenses	**41,352,025**	**-**	**41,352,025**	24,482,535	-	24,482,535
Change in net assets	**846,106**	**88,224**	**934,330**	453,368	(2,609)	450,759
Net assets, beginning of year	**2,499,176**	**-**	**2,499,176**	2,045,808	2,609	2,048,417
Net assets, end of year	**$ 3,345,282**	**$ 88,224**	**$ 3,433,506**	$ 2,499,176	$ -	$ 2,499,176

See notes to the financial statements.

The Toy Foundation, Inc.

Statement of Functional Expenses

For the Year Ended December 31, 2018

	Program Services							Supporting Services			
	Toy Bank	Genius of Play	Play Your Part	National Partners	Children's Hospital Program	Other Program Activities	Total Program	General and Administrative	Fundraising	Total Supporting Services	Total 2018
Salaries and related benefits	$ 72,279	$ -	$ 52,571	$ 16,281	$ 48,844	$ 8,895	$ 198,870	$ 171,567	$ 430,716	$ 602,283	$ 801,153
In-kind donations	22,620,720	17,699,949		-	-	-	40,320,669	-	-	-	40,320,669
Grants	-	-	80,000	-	-	11,776	91,776	-	-	-	91,776
Professional services	-	-	-	-	-	-	-	18,917	1,060	19,977	19,977
Promotional communications	-	-	-	-	-	-	-	-	4,722	4,722	4,722
Other expenses	2,150	-	29,865	-	-	-	32,015	66,415	15,298	81,713	113,728
Cost of direct benefits to donors	-	-	-	-	-	-	-	-	479,620	479,620	479,620
Subtotal	22,695,149	17,699,949	162,436	16,281	48,844	20,671	40,643,330	256,899	931,416	1,188,315	41,831,645
Less: expenses deducted directly from revenues on the statements of activities	-	-	-	-	-	-	-	-	(479,620)	(479,620)	(479,620)
Total expenses	**$22,695,149**	**$17,699,949**	**$ 162,436**	**$ 16,281**	**$ 48,844**	**$ 20,671**	**$40,643,330**	**$ 256,899**	**$ 451,796**	**$ 708,695**	**$41,352,025**

The Toy Foundation, Inc.

Statement of Functional Expenses

For the Year Ended December 31, 2017

	Program Services							Supporting Services			
	Toy Bank	Genius of Play	Play Your Part	National Partners	Children's Hospital Program	Other Program Activities	Total Program	General and Administrative	Fundraising	Total Supporting Services	Total 2017
Salaries and related benefits	$ 84,595	$ -	$ 28,378	$ 15,969	$ 47,906	$ 7,516	$ 184,364	$ 212,951	$ 335,177	$ 548,128	$ 732,492
Grants	-	-	-	250,000	425,000	11,186	686,186	-	-	-	686,186
In-kind donations	14,886,547	8,024,647	-	-	-	-	22,911,194	-	-	-	22,911,194
Professional services	-	-	-	-	-	-	-	30,002	-	30,002	30,002
Promotional communications	-	-	-	-	-	-	-	1,000	29,726	30,726	30,726
Other expenses	9,299	-	4,952	-	-	2,325	16,576	57,552	17,807	75,359	91,935
Cost of direct benefits to donors	-	-	-	-	-	-	-	-	519,754	519,754	519,754
Subtotal	14,980,441	8,024,647	33,330	265,969	472,906	21,027	23,798,320	301,505	902,464	1,203,969	25,002,289
Less: expenses deducted directly from revenues on the statement of activities	-	-	-	-	-	-	-	-	(519,754)	(519,754)	(519,754)
Total expenses	**$14,980,441**	**$ 8,024,647**	**$ 33,330**	**$ 265,969**	**$ 472,906**	**$ 21,027**	**$23,798,320**	**$ 301,505**	**$ 382,710**	**$ 684,215**	**$ 24,482,535**

See notes to the financial statements.

Statements of Cash Flows

Year Ended December 31,	2018	2017
Cash flows from operating activities		
Change in net assets	**$ 934,330**	$ 450,759
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Realized and unrealized loss (gain) on investments	**142,978**	(58,641)
Changes in operating assets and liabilities:		
Cash held for restricted purposes	**6,716**	-
Accounts receivable	**(6,751)**	73,435
Prepaid expenses	**40,424**	(168,796)
Accounts payable and accrued expenses	**1,949**	2,227
Grants payable	**(106,716)**	125,000
Due (to)/from The Toy Association, Inc., net	**(110,775)**	160,675
Deferred income	**80,655**	53,000
Total adjustments	**48,480**	186,900
Net cash provided by operating activities	**982,810**	637,659
Cash flows from investing activities		
Purchases of investments	**(1,957,396)**	(79,508)
Proceeds from sales and maturities of investments	**1,254,172**	74,726
Net cash used in investing activities	**(703,224)**	(4,782)
Net increase in cash and cash equivalents	**279,586**	632,877
Cash and cash equivalents, beginning of year	**1,445,237**	812,360
Cash and cash equivalents, end of year	**$ 1,724,823**	$ 1,445,237

See notes to the financial statements.

A. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization: The Toy Foundation, Inc. (the “Foundation”) is a not-for-profit 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 distributes toys (contributed by manufacturers, retailers, and distributors) through the Toy Bank, its signature year-round product donation program. The Toy Bank distributes toys to various charities who serve children in need. In addition, the Foundation makes grants to various partner organizations to fund the distribution of toys throughout their organizations and to enhance the work these organizations do on behalf of children in need.

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

Basis of accounting: The financial statements have been prepared on the accrual basis of accounting. Consequently, revenue is recognized when earned and expenses are recognized when the obligation is incurred.

Use of estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from estimates.

Cash and cash equivalents: The Foundation considers all highly liquid instruments (money market funds, certificates of deposit, and United States treasury bills) purchased with a maturity of three months or less to be cash equivalents.

Investments in equity securities: Investments in equity securities with readily determinable fair values and all debt securities are reported at their fair values. Changes in the fair value of investments are recorded as unrealized gains and losses included in the accompanying statements of activities. Realized gains and losses arising from the sale or other disposition of investments are determined by the average cost method.

Receivables: Receivables consist primarily of on-line holiday campaign receivables. Management periodically reviews the status of all receivable 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, 2018, management has determined that an allowance in the amount of $25,000 was necessary. As of December 31, 2017, management determined that an allowance for uncollectible accounts receivable was not necessary. Balances that remain outstanding after the Foundation has used reasonable collection efforts are written off. There were no write-offs of receivables during the years ended December 31, 2018 and 2017.

Net assets: Net assets are comprised of the following categories:

Without donor restrictions: Net assets without donor restrictions are available for general operations.

A. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Net assets (continued)

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. In 2018, the Foundation received $100,000 in contributions restricted by the donor to be used for implementing a software package of which $11,776 was utilized. Thus, as of December 31, 2018, the remaining $88,224 of this contribution was presented as net assets with donor restrictions. During the year ended December 31, 2017, the Foundation released the remaining $2,609 from a contribution to the Toy Bank program.

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. For the years ended December 31, 2018 and 2017, there were no transfers.

Donations: Contributions, donated toys, and public service announcements 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 market place. The fair value of public service announcements is provided by a third-party marketing research company that specializes in pooling together fair market price information paid by the nation’s largest media buying services.

A. Organization and Summary of Significant Accounting Policies - Continued

Donations (continued)

Unconditional contributions, including those from The Toy Association, Inc. (the "Association"), are recorded at the net present value of the amounts expected to be collected. Contributions that are conditioned upon the occurrence of future events are recorded as refundable advances until the conditions are satisfied. Funds received in connection with the Toy of the Year event ("TOTY") are initially deferred and included in the accompanying statements of financial position as deferred income. Expenditures incurred in connection with TOTY 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 for the years ended December 31, 2018 and 2017 in the year the event is held. The direct costs of TOTY include expenses for the benefit of the donors.

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 among the programs and supporting services based primarily on estimates of where employees spend their time and effort.

Change in accounting policies: The Foundation adopted the Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) No. 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*, during the year ended December 31, 2018. ASU No. 2016-04 refreshes current accounting standards by simplifying the presentation of net assets on the face of the financial statements and enhancing disclosures related to liquidity. Accounting and reporting changes related to ASU No. 2016-14 have been retrospectively applied as if the policy had always been in effect. There was no change in the Foundation's previously reported changes in net assets as a result of the adoption of the ASU. As permitted by the ASU, the Foundation's liquidity disclosure is not reported on a comparative basis during the initial year of the ASU's adoption.

Reclassifications: Certain accounts relating to the prior year have been reclassified to conform to the current year presentation with no effect on the previously reported change in net assets. Amounts reported in the December 31, 2017 financial statements were reclassified as follows:

	Previously Reported	Reclassification	Currently Reported
Revenue			
TOTY special event revenue, net of costs of direct benefits to donors	**$ 772,975**	**$ (276,314)**	**$ 496,661**
Expense			
Charitable partnership/Grants	23,797,243	(23,797,243)	-
Toy Bank	-	14,980,441	14,980,441
Genius of Play	-	8,024,647	8,024,647
Play Your Part	-	33,330	33,330
National Partners	-	265,969	265,969
Children's Hospital Program	-	472,906	472,906
Other program activities	-	21,027	21,027
Fundraising	660,101	(277,391)	382,710
	$ 24,457,344	**$ (276,314)**	**$ 24,181,030**

B. Concentrations

Credit risk: 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.

Market risk: The Foundation also invests funds in various types of marketable securities. Such investments are exposed to various risks, such as fluctuations in fair value. As a result, the investment balances reported in the accompanying statements of financial position may not be reflective of the portfolio's value during subsequent periods.

C. Investments

Investments, measured at fair value on a recurring basis, consist of the following at December 31:

2018	Total	Level 1	Level 2	Level 3
International large blend mutual fund	$ 252,632	$ 252,632	$ -	$ -
International growth mutual fund	185,011	185,011	-	-
Large capital value mutual fund	154,844	154,844	-	-
Large capital growth mutual fund	126,180	126,180	-	-
Large blend mutual fund	47,527	47,527	-	-
Small capital growth mutual fund	120,994	120,994	-	-
Small capital value mutual fund	66,722	66,722	-	-
REIT fund	171,111	171,111	-	-
Fixed income bond funds	556,966	556,966	-	-
Total investments at fair value	**$ 1,681,987**	**$ 1,681,987**	**$ -**	**$ -**

2017	Total	Level 1	Level 2	Level 3
Fixed income mutual fund	$ 246,675	$ 246,675	$ -	$ -
Large capital growth mutual fund	232,821	232,821	-	-
Inflation-protected bond mutual fund	115,301	115,301	-	-
International large value mutual fund	60,728	60,728	-	-
International growth mutual fund	55,486	55,486	-	-
Small mid-capital growth mutual fund	52,925	52,925	-	-
Small capital blend mutual fund	26,107	26,107	-	-
Corporate Bonds	331,698	-	331,698	-
Total investments at fair value	**$ 1,121,741**	**$ 790,043**	**$ 331,698**	**$ -**

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. Investments in corporate bonds are designated as Level 2 instruments and valuations are obtained from readily available pricing sources for comparable instruments. The Foundation did not hold any Level 3 investments as of December 31, 2018 and 2017.

D. Liquidity

The Foundation's process of liquidity management calls for the organization to maintain sufficient liquid financial assets in order to readily meet general expenditures and obligations as they become due. The policy of the Organization is to maintain sufficient cash to meet obligations in a timely manner and to meet expenses occurring as a result of unanticipated activities. In addition, the Organization 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 Foundation is substantially dependent on the Toy Association for support in the form described in Note F. Any significant reduction in that support would have a substantial impact on the Foundation's liquidity.

In October 2018, the Foundation transferred $600,000 from cash and cash equivalents into its investment portfolio. In April 2019, the Foundation transferred an additional $700,000 from cash and cash equivalents to its investment portfolio.

The following provides a summary of financial assets available for general expenditures within one year at December 31, 2018:

Cash and cash equivalents	$ 1,724,823
Investments	1,681,987
Accounts receivable	164,968
	3,571,778
Less, net assets with donor restrictions	(88,224)
	$ 3,483,554

E. Grant Expense/Payable

During June 2016, the Foundation entered into a grant agreement with the Nemours Foundation. The goal of the agreement is to develop an innovative, evidence-based trauma-informed program through play-based intervention for implementation in children's hospitals. Under the terms of the agreement, the Foundation provided a grant of $400,000 to the Nemours Foundation for the initial research phase of the program. As of December 31, 2017, the initial research grant was fully paid. Under the terms of the second phase of the agreement, the Foundation agreed to provide a $425,000 grant for support of the Nemours Foundation's effort to provide research and play kit content, of which $100,000 was paid in 2018 and 2017, respectively. Grants payable in the amount of $225,000 and $325,000 as of December 31, 2018 and 2017, respectively, are included in the accompanying statements of financial position.

E. Grant Expense/Payable - Continued

On December 1, 2012, the Foundation entered into a one-year grant agreement with National Court Appointed Special Advocate Association (aka CASA for Children, "CASA"). CASA provides trained volunteers who are appointed by judges to advocate for children who have been removed from their homes due to abuse or neglect and are awaiting placement in foster homes. Under the terms of the agreement, the Foundation will provide toys and cash to CASA. The commitment to provide toys to CASA is contingent on the receipt of toy donations in the future. This agreement has been extended each year since its commencement. In addition to the toys donated by the Foundation, cash grants of $0 and $250,000 were paid in 2018 and 2017, respectively. In relation to the cash granted in 2017, the Foundation was reimbursed $150,000 during the year ended December 31, 2018 since CASA was unable to conform to all of the terms in the grant agreement. This amount is reported as a component of other income in the accompanying statement of activities for the year ended December 31, 2018.

In addition to the grants above, the Foundation provides cash grants to local charities that serve children in need. In 2018 and 2017, the Foundation made other cash grants totaling $0 and $11,186, respectively.

As of December 31, 2017, the Foundation had restricted cash and a grant payable in the amount of $6,716 from a project, in which the Foundation acted as an agent, completed in 2015 to design, develop and construct an exhibit for the Toy Industry Hall of Fame at the Strong Museum in Rochester, NY. The restricted cash and grant payable are included in the accompanying statements of financial position. These funds were disbursed in January 2018.

F. Related-Party Transactions

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

	2018	2017
Salaries and related benefits	$ 801,154	$ 732,492
Administrative expenses	27,000	31,764
	828,154	764,256
Cash support for the TOTY special event	22,235	91,500
	$ 850,389	**$ 855,756**

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 is currently in discussions with the Association to formalize its relationship in an operating affiliation agreement.

The Association's support for the TOTY special event is included as part of the TOTY special event revenue, net of costs of direct benefits to donors.

Amounts payable to, or receivable from, the Association in the accompanying statements of financial position at December 31, 2018 and 2017 represented expenses paid or fundraising monies received by the Association on behalf of the Foundation and totaled $169,551 and $58,776 at December 31, 2018 and 2017, respectively.

G. Online Holiday Retail Campaign

During November 2016, the Foundation launched an online holiday retail campaign in partnership with major online retailers. The campaign created an online and mobile storefront for customers to find, discover, and buy toys from companies nominated as finalists and some other submissions for the subsequent year's Toy of the Year awards. Revenues related to the campaign amounted to $465,000 and $485,000 for the years ended December 31, 2018 and 2017, respectively, and are included in the accompanying statements of activities.

H. Subsequent Events

Subsequent events have been evaluated through April 15, 2019, which is the date the financial statements were available to be issued.