MARINE TOYS FOR TOTS FOUNDATION

TOYS FOR TOTS

2017 Annual Report

The mission of Marine Toys for Tots Foundation is to assist the U.S. Marine Corps in providing a tangible sign of hope to economically disadvantaged children at Christmas. This assistance includes supporting the U.S. Marine Corps Reserve Toys for Tots Program by raising funds to provide toys to supplement the collections of local Toys for Tots campaigns, to provide promotional and support material and defray the costs of conducting annual Toys for Tots campaigns. Other Foundation support includes providing administrative, advisory, financial, logistic and promotional support to local Toys for Tots Coordinators; managing funds raised and monies donated based on the use of the Toys for Tots name or logo; providing other support the Marine Corps, as a federal agency, cannot provide; and conducting public education and information programs about Toys for Tots that call the general public to action in support of this patriotic community action program.

MARINE TOYS FOR TOTS FOUNDATION

TOYS FOR TOTS

President & CEO's Report

As we entered the 2017 Campaign, the nation's economy had pretty much recovered; nonetheless, there were still many families struggling to make ends meet. As expected, early reports from local coordinators consistently spoke of a continued heavy demand for toys. Fortunately initial individual toy donations were good, and our long term GIK (Gift in Kind) Corporate Sponsors were responding positively. The campaign turned out to be extremely rewarding as the American public and our Corporate Sponsors once again rallied behind the program and both GIK and monetary donations remained strong. Our Reserve Units and our Local Campaign Coordinators performed superbly, and Toys for Tots enjoyed an extremely successful campaign. A number of records were set in monetary donations, and our total revenue of over $286 million was our best year on record. We also retained a very enviable "program to support ratio" of 97 to 3.

As a result of our successful campaign, our Marines and volunteers distributed 18 million toys to 7 million less fortunate children. Local campaigns were conducted in 800 communities covering all 50 states, the District of Columbia, Puerto Rico, Guam, and the Virgin Islands. The Foundation supplemented local toy collections with over 6 million toys valued at $63 million. Because of the increase in demand, the Foundation spent $8 million more on toys than we had budgeted.

As I mentioned earlier, the Marine Toys for Tots Foundation had our most successful campaigns in terms of fundraising. 2017 fundraising numbers: the Direct Mail Campaign raised $25.1 million; Corporate Sponsor monetary and GIK contributions totaled $34.8 million; website donations totaled $5.9 million; and unsolicited donations were $14.6 million. Each of these amounts exceeded our highest expectations, and in most cases, established all time highs for that particular category.

Key to the successes we enjoyed this year was the tremendous effort of the Marines assigned to Marine Forces Reserve and the tens of thousands of volunteers from towns and cities across our nation. Toys for Tots was blessed in 2017 to have the support of our new First Lady, Melania Trump, as our number one volunteer. Mrs. Trump's support was instrumental in helping us broadcast our message to the American public. Please see the separate article about the First Lady's participation.

Another key factor in our successes this year was exposure. In our quest to maximize our exposure, the Foundation continued three very successful initiatives, the Hollywood Christmas Parade benefiting Toys for Tots, the ringing of the Closing Bell at the New York Stock Exchange, and our growing relationship with teams in the National Football League. There are separate articles in the Annual Report that provide details on these initiatives.

Overall, 2017 was a very productive year for the Marine Toys for Tots Program. I am pleased to report that our Marines and volunteers who conducted the 800 Campaigns across our country performed superbly throughout the campaign. The spirit of teamwork that existed throughout Toys for Tots was inspirational. Although I am sure there will be many challenges in 2018, I am confident we will succeed. In view of the experience, competence and dedication of our outstanding Board of Directors, the leadership and dedication of Marine Forces Reserve, and the passion and hard work of our wonderful volunteers, the future of the Foundation and the U.S. Marine Corps Reserve Toys for Tots Program is indeed bright.

H P Osman

H. P. Osman
Lieutenant General, USMC (Ret)
President & CEO

Marine Toys for Tots Overview

70 Years of Bringing the Joy of Christmas to America's Less Fortunate Children

This year marked the 70th Anniversary of the U.S. Marine Corps Reserve Toys for Tots Program. The Program was created in 1947 when Major William Hendricks, USMCR, the Director of Public Relations for Warner Brothers Studio assisted by members of his Marine Reserve Unit, collected 5,000 toys and distributed them to war orphans and other less fortunate children of Los Angeles, CA.

The success of this first campaign caused the Commandant of the Marine Corps to direct that in 1948 every Marine Reserve Unit would conduct a local Toys for Tots Campaign. In support, Walt Disney, a close personal friend of Bill Hendricks, designed the first promotional poster for the nationwide campaign in 1948. In that poster was a three car train that continues to serve as the official logo of Toys for Tots today.

Since that first campaign, the program has grown to encompass local campaigns in over 800 communities covering all 50 states, the District of Columbia, Puerto Rico, Guam, and the Virgin Islands. From 1947 through 2017, local Toys for Tots Coordinators have distributed 548 million toys to 251 million less fortunate American children. Today, Toys for Tots is the Marine Corps' premier community action program, one of the nation's flagship Christmas charitable causes, and the only charitable cause within the Department of Defense that reaches outside the military establishment to give something back to local communities.

The mission of Marine Toys for Tots is to bring the joy of Christmas to less fortunate children. The principal goal is to deliver a message of hope that will inspire youngsters to grow into responsible, productive, patriotic citizens. The objectives include having a positive impact on the development of children, creating or restoring self-esteem, and bringing all elements of communities together in a common cause for three months each year.

Toys for Tots is an official activity of the U.S. Marine Corps and an official mission of Marine Forces Reserve. The Commandant of the Marine Corps promulgates broad policy guidance for the Marine Toys for Tots Program and delegates to the Commander, Marine Forces Reserve and the President & CEO of the Marine Toys for Tots Foundation the responsibility and authority for the day-to-day direction and supervision of Marine Toys for Tots.

Marine Toys for Tots Foundation, recognized by the IRS as a tax exempt, not-for-profit public charity within Section 501(c)(3) of the Internal Revenue Code, is the fundraising and support organization for the U.S. Marine Corps Reserve Toys for Tots Program. Created at the behest of the Marine Corps, the Foundation has been an integral part of Toys for Tots since Christmas 1991.

A board of twelve directors, composed of successful business leaders representing business and geographic diversity, governs the Foundation. All directors are either serving in the U.S. Marine Corps Reserve or are veteran Marines.

Day to day operations of the Toys for Tots Program are handled by a professional staff at the Foundation offices located in Triangle, VA, just outside the Main Gate to Marine Corps Base, Quantico, which is 35 miles south of Washington, DC.

In addition to providing the day to day leadership and oversight, the Foundation raises funds to purchase toys to supplement local collections, defrays the costs of conducting annual Toys for Tots campaigns, and provides promotional and support materials for local campaigns. The Foundation manages all funds raised and donations received based on the use of the Toys for Tots name and logo. The Foundation provides administrative, advisory and logistical support to local Toys for Tots Coordinators, as well as other support the Marine Corps, as a federal agency, cannot provide. Finally, in order to maximize the potential of the program, the Foundation works to gain as much exposure for Toys for Tots as possible. This includes conducting public education and information programs about Toys for Tots that call the general public to action in support of this patriotic community action program.

Public Service Announcements

The Marine Toys for Tots Foundation has two public service announcements that were produced by the long time public relations firm of the Marine Corps, J. Walter Thompson. The public service announcements were funded by the Marine Corps Recruiting Command to assist in the commemoration of the 50th and 60th Anniversaries of the Marine Toys for Tots Program. In honor of the 50th Anniversary, J. Walter Thompson produced "Guard Duty" and in honor of the 60th Anniversary, "Christmas Morning". Christmas Morning and Guard Duty received a great deal of air time during the 2017 Campaign being shown over 14,000 times by hundreds of local television stations across the country. J. Walter Thompson is able to track the showings and valued the air time at over $4.3 million. The airing of these public service announcements serve to remind Americans that it is their donations that ensure America's less fortunate children have the opportunity to experience the joy of Christmas. The Marine Toys for Tots Foundation thanks those stations that help deliver that message to the public.

70th Anniversary Toys for Tots Poster

The 70th Anniversary promotional poster was designed by LtCol Keith McConnell, USMCR (Ret). Colonel McConnell has designed a number of Toys for Tots promotion posters in the past to include the 50th and 60th Anniversary posters. The 2017 poster has been used in previous years and is considered by many the all-time favorite. All previous Toys for Tots posters can be viewed on the Foundation's website.

First Lady Melania Trump Joins the Toys for Tots Team

In early December, the President & CEO of the Marine Toys for Tots Foundation was notified that First Lady Melania Trump would be supporting Toys for Tots during our 2017 Campaign. On December 13th, Mrs. Trump arrived at our Marine Toys for Tots warehouse in Washington, D.C. to conduct a media event, volunteered her services by assisting with the sorting of toys, conducted a craft session with the children of military service members, and personally thanked the many volunteers who assist with the Washington, D.C. Campaign.

Before introducing the First Lady, Lieutenant General Rex McMillian, Commander Marine Forces Reserve, thanked Mrs. Trump for her support of military families and her interest in and support of the Marine Toys for Tots Program. General McMillian noted that her participation with Marine Toys for Tots would greatly assist in our efforts to energize the public to support this year's campaign.

General McMillian then introduced Mrs. Trump who spoke of the sacrifices of our military members and their families and noted that there were many service members deployed overseas who would be spending Christmas away from their families. Mrs. Trump also provided an extemporaneous narrative on the history of Toys for Tots and the impact that it has had on America's less fortunate children over the past 70 years.

Following the media event the First Lady rolled up her sleeves and spent nearly an hour assisting volunteers with the sorting of toys, working crafts with children, and personally thanking all the volunteers for all they were doing to help bring the joy of Christmas to less fortunate children. She also posed for many photos.

Toys for Tots Rings the Closing Bell at the New York Stock Exchange

On November 24th, "Black Friday", the President & CEO of the Marine Toys for Tots Foundation, Lieutenant General Pete Osman and Santa Tim Connaghan, together with Marines from 6th Communications Battalion rang the Closing Bell at the New York Stock Exchange in honor of the 70th Anniversary of the Marine Toys for Tots Program. Joining General Osman and Santa Tim on the Exchange Platform were Laura Osman, Lieutenant Colonel and Mrs. Belt, 1st Sergeant and Mrs. Fredonis, Gunnery Sergeant Voutthivong, Sergeant Smith, and PFC Richards. Ringing the Bell on "Black Friday" serves as a great reminder to the American Public to purchase a toy for a less fortunate child when one hits the stores on the biggest shopping day of the year.

"Thanks to you and all who make this magic happen."

— General Robert B. Neller, *37th Commandant of the Marine Corps*

TOYS FOR TOTS®

Hollywood Christmas Parade Supports Toys for Tots

On 27 November the President & CEO participated in the 8th Annual "Hollywood Christmas Parade featuring Marine Toys for Tots."

The Hollywood Christmas Parade has been an American tradition for over 85 years. Conducted in the heart of Hollywood, right down Hollywood Boulevard, the parade has been a longtime favorite of TV and movie personalities. Over the years, a number of well known celebrities have served as Grand Marshal to include Cecil B. DeMille, Charlton Heston, Bob Hope, "Magic" Johnson, Mickey Mouse, Roy Rogers, Mickey Rooney, Arnold Schwarzenegger, Jimmy Stewart, The Simpsons, and many others. This year's Grand Marshal was the popular TV personality, Doctor Oz. The 2017 Hollywood Christmas Parade was once again filmed, edited, and made into a television production and aired nationally by the CW Television Network and the Hallmark Channel. The production was also in national syndication in over 90% of the country, making the 2017 Parade available to the largest television audience in its history. Actor Erik Estrada (CHIPs) and television host Laura McKenzie (World's Funniest Moments) once again served as parade broadcast hosts. In addition to the Marine Band from Marine Corps Recruit Depot San Diego, who led the Parade, there were celebrities from film, television and stage, award-winning bands, equestrian groups, floats and giant balloons. Marine presence was scattered throughout the Parade from the Red Carpet area to riding with Santa on his sleigh. The official Hollywood Santa, Tim Connaghan, has become a huge supporter of Toys for Tots and joined us in a number of other Toys for Tots events throughout the campaign season.

Bill Abbott, President & CEO, Hallmark Channels said, "Hallmark Channel and Hallmark Movie Channel are America's family networks and are a touchpoint in many homes throughout the holidays. We are enthusiastic supporters of Toys for Tots and are grateful to have our networks, Toys for Tots, and the Parade come together to help less fortunate children."

Supreme Court Supports Toys for Tots

On the 15th of December, the Chairman of the Board, Lieutenant General Bob Shea, together with Marines from the DC area Reserve Unit, were invited by Chief Justice John Roberts to the Supreme Court's annual Christmas Party. During a private meeting in Chief Justice Roberts' Chambers prior to the party, he reiterated his great respect and support for the Marine Toys for Tots Program. After a brief discussion of the 2017 Campaign, they adjourned to the Great Hall to join the other Justices and the Supreme Court staff. Chief Justice Roberts welcomed all and spoke briefly about the Marine Toys for Tots Program before presenting hundreds of toys donated by the staff and members of the Supreme Court. Many then joined the Chief Justice for the annual singing of Christmas Carols.

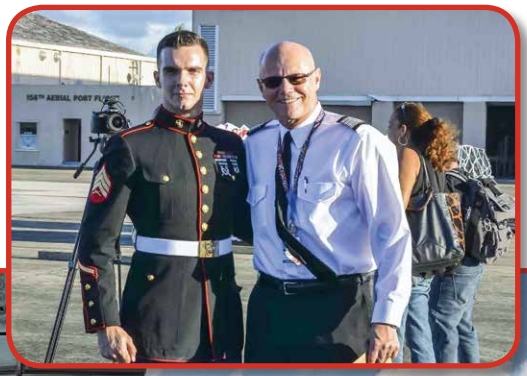
NFL Teams Support Toys for Tots

For the 2017 Toys for Tots Campaign, nearly all NFL teams once again joined forces with the Marine Corps for local toy drives benefiting the Marine Toys for Tots Program. From 19 November to 17 December, football fans across the country spread the joy of the holidays while cheering for their favorite team. During this period, NFL teams across the country hosted toy drives during one of their home games. Fans were encouraged to bring new, unwrapped toys to the stadium on game day, where Marines collected them for distribution within their communities. Cash donations were also collected at the games and fans were also encouraged to make online and text donations.

The Marine Toys for Tots Foundation will be working with local coordinators and the NFL in 2018 to further maximize the potential of this Program.

Marine Toys for Tots Teams-Up with Hillwood Airways and Hasbro Toys to Aid Hurricane Stricken Puerto Rico

Marine Toys for Tots had hoped to conduct a key toy delivery mission with the Blue Angels to hurricane devastated Puerto Rico. Unfortunately, the mission was in jeopardy because "Fat Albert", the Blue Angels C-130 support aircraft, had been grounded along with the entire fleet of C-130T aircraft. Just when all hope was lost, Hillwood Airways, an H. Ross Perot Company, offered use of one of their cargo aircraft to fly planeloads of toys donated by one of our key corporate sponsors, Hasbro, Inc., to Puerto Rico. On 20 December a planeload of toys provided by Hasbro departed Dallas making delivery late that day in Puerto Rico. After unloading their pallets of toys, the aircraft flew to Miami, and early on 21 December, picked-up another full load of Hasbro toys and once again flew to Puerto Rico to make delivery. When the mission was complete, Hasbro and Hillwood Airways had delivered over 30,000 toys, books, and games to our Reserve Marines in Puerto Rico for distribution to thousands of Puerto Rican children. These children would truly have gone without were it not for this special mission! We offer our congratulations and sincere thanks to the team that made this possible, Hillwood Airways, Hasbro Inc., our Marines in Puerto Rico, and Colonel "Migs" Silvester, our Vice President for Marketing & Development, who coordinated the overall effort.



Toys"R"Us

Once again, Toys"R"Us teamed up with Marine Toys for Tots to bring the magic of the holidays to children across the country, including families who lost everything in the wake of last year's hurricanes. Toys"R"Us rolled out their Share Joy, Give a Toy! campaign resulting in another banner year of support. Toys"R"Us raised over $5 million as well as collecting over 175,000 toys in their stores. 2017 marked the 14th year Toys"R"Us has partnered with Toys for Tots bringing their cumulative cash raised in their stores to over $60 million.

Hasbro Delivers over 1.5 Million Toys and Games

In their 21st year of partnering with Marine Toys for Tots, Hasbro stepped up their support in a big way and saved the day for numerous local Toys for Tots campaigns impacted by natural disasters. As part of Hasbro's philanthropic BE FEARLESS BE KIND initiative, their 2017 Toy & Game Holiday Match campaign resulted in Hasbro's donation of 1 million toys. Hasbro's KINDNESS RISING campaign donated an additional 500,000 toys and games to hurricane impacted communities. This initiative helped many thousands of families to experience the magic of the holidays and a return to normalcy for so many whose lives were turned upside down. Hasbro's 2017 contribution was valued at over $8.5 million bringing their total support to Toys for Tots to 5 million toys valued at nearly $50 million.

"Hasbro takes great pride in our programs to assist children. However nothing compares with the pride we have in our twenty year partnership with the Marines, who so willingly go in harm's way to protect our way of life and then, when back home, lead our nation in bringing the joy of the holidays to children in poverty. Hasbro is truly proud to be a part of the Marine Toys for Tots Program."

— Mr. John Frascotti, *President, Hasbro, Inc.*

Dollar General Presents Their Support on National Television

Partnering with Toys for Tots for their 13th year, Dollar General made a significant contribution donating $110,000 to Toys for Tots. This donation was made even more special as it was presented on national television at the Dollar General Bowl in Mobile, Alabama on Saturday, December 23rd. Additionally, Dollar General collected countless toys in their retail locations supporting many local campaigns. Dollar General's cumulative support of Toys for Tots exceeds $1,300,000.

Photo credit to Seth Laubinger at FusionPoint Media

A 10-Year Partnership with Build-A-Bear Workshop

As Build-A-Bear Workshop enjoyed their 20th anniversary, 2017 was their 10th year of supporting Toys for Tots. Build-A-Bear retail locations across the country held many interactive events encouraging patrons and staff to interact with local Marines. These efforts raised over $350,000 for Toys for Tots. Additionally, Build-A-Bear donated 21,000 of their "furry friends" valued at over $250,000 bringing their cumulative giving to well over $11 million.

2017 National Corporate Sponsors

FIVE STAR ★★★★★

The following Five Star corporations contributed or helped raise over $1,000,000 in cash or contributed over $2,000,000 worth of toys to our 2017 Marine Corps Reserve Toys for Tots Campaign:

Babies"R"Us
Freeway Insurance
Funko
GOATcase
Hallmark
Hasbro
Hess
J. Walter Thompson
LEGO
The Walt Disney Company
Toys"R"Us

FOUR STAR ★★★★

The following Four Star corporations contributed or helped raise over $500,000 in cash or contributed over $1,000,000 worth of toys to our 2017 Marine Corps Reserve Toys for Tots Campaign:

Build-A-Bear Workshop
Delta Air Lines
Duracell
Gemini Collectibles
Group Sales
The UPS Store

THREE STAR ★★★

The following Three Star corporations contributed or helped raise over $250,000 in cash or contributed over $500,000 worth of toys to our 2017 Marine Corps Reserve Toys for Tots Campaign:

ABC7
A.C. Moore
Bayer
Boost Mobile
Chevron
Doherty Enterprises - Applebee's
Federated Auto Parts
Platinum Equity
SimplyFun, LLC
Weissman Theatricals

TWO STAR ★★

The following Two Star corporations contributed or helped raise over $100,000 in cash or contributed over $250,000 worth of toys to our 2017 Marine Corps Reserve Toys for Tots Campaign:

American Bath Group
Associated Television International
Bluestem Brands
Bojangle's Restaurants
Custom Education Solutions
Dollar General
FEC Railway
Fit Body Boot Camp
Jazwares
KARHL Holdings
Le-Vel Brands
Penguin Random House
PepsiCo
Rebuild Texas Fund
Stage Stores
UPS
Valpak
Welch Packaging

*See **2017 National Corporate Sponsors** on next page*

TOYS FOR TOTS®

ONE STAR ★

The following One Star corporations contributed or helped raise over $25,000 in cash or contributed over $100,000 worth of toys to our 2017 Marine Corps Reserve Toys for Tots Campaign:

Abbott
Alex and Ani
Alix Partners
Allstate Foundation, The
Ann Williams Group
Anne Cox Chambers Foundation
Bear's Best
Booz Allen Hamilton
Brand Source
CalAtlantic
Causely
Cotswold Foundation
Covelli Enterprises
Covington & Burling
Discovery Toys
Dunkin Donuts
Endeavor Enterprises
Entertainment Earth
Estes
Fareway Stores
FJ Management - Maverik
Freds BBQ
Goodyear Tire & Rubber
GSN Worldwide
HDI Housewares
Hillwood Airways
Jackson National Life Insurance
Kahlert Foundation, The
KAI USA
Kellogg's Rice Krispies
Kroger Co, The
Lakeside Organic Gardens, LLC
Magnolia Advanced Materials
Merchant Distributors
New England Doll
Old Dominion Freight Lines
On Time Toys
Pigment & Hue
PODS
Redner's Markets
Related Companies
Rico Industries
Ripley's Believe It or Not
Ruby Tuesday
SAIA
Sassy 14, LLC
Scholastic
Sony Pictures Home Entertainment
Stater Brothers
TCS
The Oak Foundation
United Technologies
Value Card Alliance
WestRock
WowToyz

2017 National Corporate Donors

The following corporations or individuals contributed or helped raise between $5,000 and $24,999 in cash or contributed between $25,000 and $99,999 worth of toys to our 2017 Marine Corps Reserve Toys for Tots Campaign:

801 Transfer Rd, LLC
Ada and Albert Wibel Foundation
American Golf Foundation
AmeriPark
AmRes Corp
AP Midwest, LLC
Applied Systems
Assurant, Inc.
Bank of America
Barnsco
BCT Walls
Bears for Humanity
Beazer Homes
BEX Realty
BlueWave Express Car Wash
Bradley T. MacDonald Family Foundation
Carmax Foundation
Celebration Talent
C E and S Foundation, Inc
Chicken Soup for the Soul
Chloe & Isabel Inc
Choctaw Nation of Oklahoma

Cleaner's Supply
Coastal Sunbelt Produce
Coca-Cola Co
Commercial Warehouse & Cartage, Inc.
Commonwealth Charitable Fund
Community Foundation of Western Nevada
Copp Paving
Curse, Inc
Delkin Devices
Denbury
Diane and Dorothy Brooks Foundation
Drexel Building Supply
Dogma Restaurant Group, LLC
E-Dragon
Elfster
Fourstar Group
Fox Broadcasting Company
Franklin P. And Arthur Perdue Foundation
Fredricksen Green Foundation
GAT Guns
GBU Financial Life
Geico Philanthropic Foundation
GenSpring Family Offices
Giftagram
Gitlin Family Foundation
Godsmith Gregg & Unruh LLP
Great West Life & Annuity
Greater Salina Community Foundation
HearthSong
Hilltop Securities
Holiday Charity Ball
Hulu
Ivory Ella
Jack Buncher Foundation
Jim Glover Auto Group
Johanson Transportation Service
John C. Morrison & Eunice B. Morrison
J. William and Helen D. Stuart Foundation
Kid's R Kids
Klinedinst Attorneys
Kohl's
Krewe of Cleopatra
Knifecenter, Inc
Leclerc Charity Fund
Louisville Gas & Electric Co.
Marcia & Mark Miller Family Foundation
Marketplace Events USD
Maxim Group LLC
Maynard Cooper Gale
National Financial Services
Navy Federal Credit Union
Norberthood
Northern Tier Energy
O'Shea Family Foundation
Papa Johns
Pen Company
Port Brewing & The Lost Abby
Positec
PPE Casinos
Progeny Systems
Prologis
Ready Reading Glasses
Royal Fund Management
Sacramento Region Community Foundation
Scientific Games
Sealed Air
Shakey's Pizza
Stihl
STC Consolidated
SuperValue
The Computer Merchant
The GE Foundation
The Goad Family Foundation
The Kringle Group, LLC.
The Mead Foundation
The Maslow Family Foundation
The Pokagon Fund, Inc.
The Randi & Clifford Lane Foundation, Inc.
Times Oil Corp
Toyota
Triple Threat Productions, Inc.
Tubby Table
Turner Broadcasting
Twilio

*See **2017 National Corporate Donors** on next page*

2017 National Corporate Donors
continued from previous page

UBS Financial Services, Inc
Ugly Christmas Sweater
United Healthcare
Value Pay Services, LLC
Virago Fitness
Viva Pictures
VTech Electronics
Wagner
Wargaming America, Inc.
Wells Fargo Bank, N.A.
Western-Shamrock
Wild Basin Oil & Gas, LLC
ZELTIQ Aesthetics

2017 National Corporate Event Sponsors

The following corporations or individuals donated $5,000 or more in support of the 2017 Marine Toys for Tots Foundation golf tournament and/or other events:

Bank of America/SY Group at Merrill Lynch
Bridgestone Americas
Communication In Action (CIA)
Creative Direct Response (CDR)
Data Management Inc. (DMI)
Delta Airlines
Fleet
General Atomics Aeronautical Systems
Group Sales – 2017 Golf Classic Co-Sponsor
HDI Housewares
Key Acquisition Partners
Bradley T. MacDonald Family Foundation
Mazel Company
Medifast, Inc.
OnTime Toys – 2017 Golf Classic Co-Sponsor
Raytheon
Sikorsky Aircraft Corporation
Stafford Printing
Textron
TK's Toybox

"Thanks for the update on Marine Toys for Tots...have seen our Marines all over performing this worthy and noble task...thanks to all the Marines and volunteers who do all the hard work to make this happen and do it with the esprit our Corps is known for."

— General Robert B. Neller, *37th Commandant of the Marine Corps*

TOYS FOR TOTS®

Marine Toys For Tots Foundation Golf Classic – 2017

On Monday May 22, 2017, participants in the 2017 Marine Toys for Tots Foundation Golf Classic gathered at the Mount Vernon Country Club in Alexandria, Virginia to launch the Marine Toys for Tots Foundation's 2017 national fund-raising campaign. This was the twenty-second annual **Marine Toys for Tots Foundation Golf Classic**. Although the day started with rain, by the time the carts scattered to their first holes, the rain had lifted and the weather was perfect. The players enjoyed a great golf outing with lots of camaraderie.

Thirty-seven corporations/business groups, from throughout the nation, supported this year's tournament while donating over $157,000. The 106 participating golfers represented 27 of these corporations and included corporate executives, Marine Corps officials and Toys for Tots supporters.

The tournament, which began with a shotgun start at 9:00 a.m., was preceded by a continental breakfast and followed by a luncheon and awards ceremony. The format was a best ball scramble. Team winners were selected based on either team low gross scores or team low handicap adjusted scores. Team prizes were presented in two categories: The Commandant's Flight (gross scores) and the President's Flight (handicap adjusted scores). Prizes were presented to the first through third place teams in the Commandant's Flight, and to the first through sixth place teams in the President's Flight. Individual prizes were presented for the longest drive, straightest drive and closest to the pin. Hole-in-one prizes were available on each of the four par 3 holes.

Each player received a Toys for Tots Favor Bag which included a golf shirt, golf cap, golf towel, tees, aiming sticks, and one dozen golf balls. Participants had an opportunity to bid on sixteen silent auction items and to win one of six raffle prizes. Team photos were presented to each participant.

The Commandant's Flight (team low gross score) was won by the team from Bank of America/SY Group at Merrill Lynch and the President's Flight (team handicap adjusted score) was won by the Fleet Team.

Commandant's Flight Winners

President's Flight Winners

2017 Marine Toys for Tots Reception and Parade

On the evening of 2 June, at the invitation of the Commandant of the Marine Corps, Mr. John A. Frascotti, President of Hasbro, Inc., served as the Guest of Honor and the Parade Reviewing Official for the Evening Parade at Marine Barracks, Washington, D.C. Hasbro has been one of the top Corporate Sponsors for the Marine Toys for Tots Program for 20 years. The Parade was preceded by a reception in Crawford Hall hosted by the Foundation's Directors. In attendance at the reception were the Foundation's Board of Directors and their spouses, as well as a number of friends and supporters of the Toys for Tots Program and the Marine Corps. Lieutenant General Rex McMillian, Commander, Marine Forces Reserve, served as the General Officer host for the evening. He welcomed all to the reception and parade, provided excellent

remarks about the Marine Toys for Tots Program, and introduced the President & CEO of the Marine Toys for Tots Foundation, Lieutenant General Pete Osman. General Osman thanked all for their support of the Marine Toys for Tots Program, gave a brief overview of our 2016 Campaign and introduced Mr. Frascotti. Mr. Frascotti spoke about the great impact that the Marine Toys for Tots Program has had on America's less fortunate children and how proud Hasbro is to have been part of the Toys for Tots Team for the past 20 years. The evening was an inspiration for all in attendance and provided an excellent opportunity to highlight the Marine Toys for Tots Program to the over 4000 people attending the Evening Parade.

2017 Toys for Tots Coordinator Training Conference

For the eighth year in a row the Toys for Tots Coordinator Training Conference was held at the National Conference Center September 14th – 17th. This venue has proven to be the perfect setting for our Coordinator Training. The Foundation Staff spent many hours preparing presentations and handout materials for local coordinators to hear, read, review, and generally get ready for the 2017 Toys for Tots Campaign. This year there were over 500 attendees that took advantage of the opportunity to gather together for a few days to undergo some serious training; exchange Toys for Tots stories (lessons for all to learn); learn more about the program; recognize the Regional and National Coordinators of the Year; and to just enjoy each other's company before the hectic pace of the campaign consumes the days leading up to Christmas. For the sixth year we had our Accounting Specialists conduct most of the basic training by Region. This has proven very effective and has been well received by the Coordinators. Major Ismael Lara of Marine Forces Reserve reviewed the policies and way ahead with respect to support from their headquarters. As each conference becomes more refined, the planning becomes more detailed and challenging due in part to the lessons learned from each event, but also as a result of the staff and coordinators being better informed and prepared to engage in three meaningful days of training.

Our principal goals for this conference were:

- Enhance teamwork throughout the TFT Team
- Provide information and guidance to help coordinators conduct more effective campaigns
- Seek methods of operation that ease the workload of TFT Coordinators
- Enhance the image of the U.S. Marine Corps Reserve Toys for Tots Program
- Enhance administrative proficiency throughout all elements of the TFT Program
- Recognize the Regional and National Coordinators and Campaigns of the Year

We believe we achieved these goals, but are committed to preparing for and having an even better conference next year, which will be held at the National Conference Center in Leesburg, VA September 13-16, 2018.

2017 National Coordinators of the Year

LCO Coordinator of the Year

HENRY BUTTS
Daytona Beach, FL

USMC Reserve Coordinator of the Year

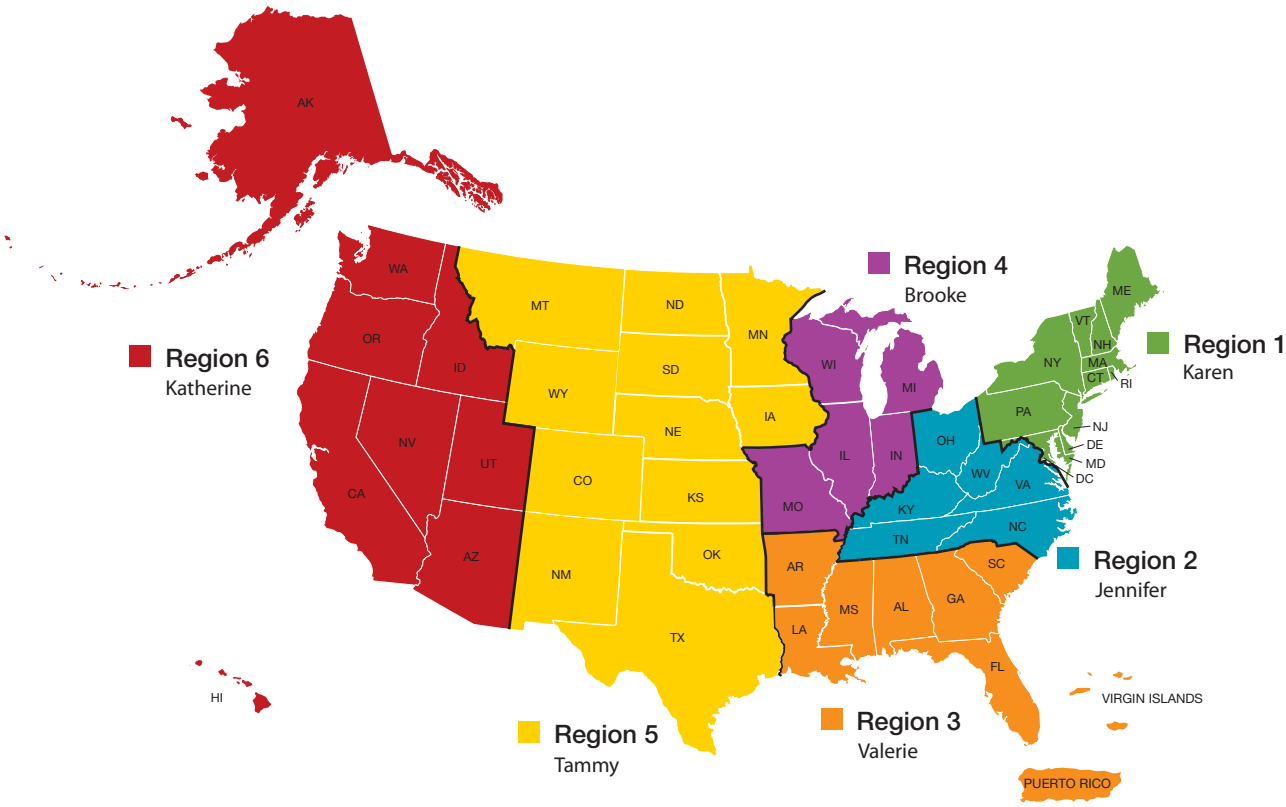
SSGT PHILLIP GREER
Jacksonville, FL

Fundraising 2017

Marine Toys for Tots Foundation had an extremely successful fundraising campaign in 2017. All fundraising goals were exceeded and the average percentage of the goals was 125%. Based on donations of $25,000 or more, 100 corporations were designated National Corporate Sponsors. It is important to point out that 79 of these were repeat sponsors. These sponsors donated nearly $12 million in cash, $26 million in GIK toys and nearly $9 million in service. Additionally, our Direct Mail Campaign earned over $25 million, and online donations brought in nearly $6 million. All of these exceeded our expectations and several represent all-time highs. We also received nearly $15 million in unsolicited donations. Overall, total support and revenue was over $286 million eclipsing our previous best year, 2014. The fundraising success attained during 2017 – a challenging year – represented quite an accomplishment. The Vice President for Marketing and Development, Colonel Ted Silvester, USMCR (Ret), his Deputy Vice President, Mrs. Kelley Hardison, and both of his Marketing Associates, Mrs. Jo Roxburgh and Mrs. Sara Mills were the architects of this resounding success story.

Regional Organization

In 2017, Marine Toys for Tots Foundation divided the nation into six (6) "Toys for Tots Regions." The purpose of this regional concept is to enhance the effectiveness and efficiency of the annual campaign at both the local and national levels and to provide local coordinators a single point of contact at the Foundation. An accounting specialist is assigned to each region and handles the administrative and accounting matters for the states in each respective region. Today, each region consists of nearly 133 local campaigns. This program improves communications from the Foundation to local coordinators, develops a greater spirit of teamwork, significantly enhances the administrative fund management proficiency of local campaigns, and creates a more organized, nationwide campaign.



Toys for Tots Campaign 2017

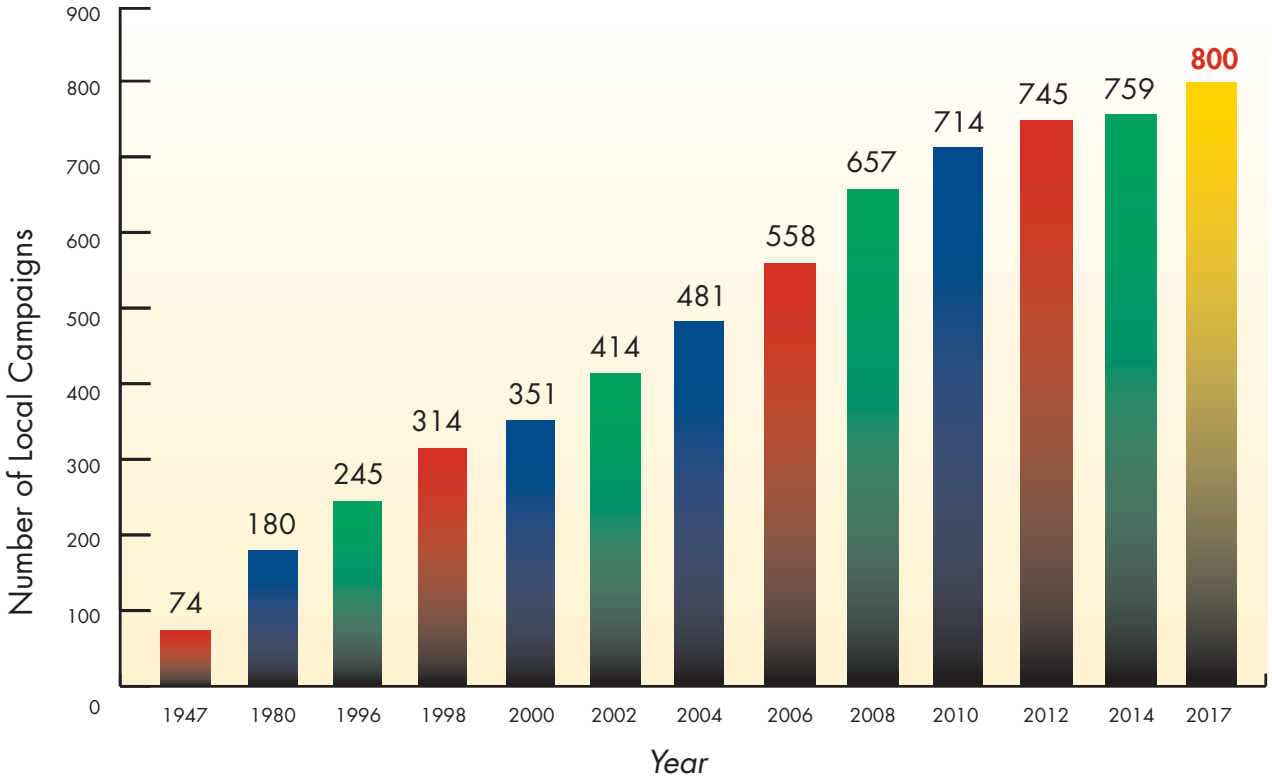
The 2017 U.S. Marine Corps Reserve Toys for Tots Campaign was one of the most successful in the 70 year history of Toys for Tots. First, local campaigns were conducted in 800 communities covering all 50 states, the District of Columbia, Puerto Rico, Guam and the Virgin Islands. Second, local Toys for Tots coordinators distributed 18 million toys to 7 million less fortunate children.

The Marine Toys for Tots Foundation, the fundraising and support organization for the Marine Toys for Tots Program, supplemented the collections of local Toys for Tots Campaigns with 6 million toys valued at over $63 million. The Foundation also provided local campaigns with promotion and support materials valued at over $900,000.

From 1947 through 2017, Marines and their volunteers have distributed 548 million toys to 251 million less fortunate children. From 1991 through 2017, Marine Toys for Tots Foundation has supplemented local collections with 128 million toys valued at $1.02 billion.

Toys For Tots Campaign Coverage

- First nationwide Toys for Tots (TFT) campaign was conducted in 1948 when there were 74 Marine Reserve Training Centers in 25 states.
- From early 1980s through 1995, local TFT campaigns were conducted in 180 communities in 46 states, the District of Columbia and Puerto Rico. All campaigns were conducted by Reserve Units.
- From 1996 through the present, Marine Corps League Detachments and other local community groups/Organizations have been authorized to conduct local TFT campaigns in communities without a Marine Reserve Training Center.
- 2017: local campaigns conducted in 800 communities covering 50 states, DC, Puerto Rico, the Virgin Islands and Guam.



2017 Financial Report (Executive Summary)

Report of Independent Accounting Firm

The independent accounting firm, RSM, LLP, conducted an audit of the Foundation's 2017 Financial Statements and issued an unmodified opinion indicating that the financial statements are presented fairly and in conformity with accounting principles generally accepted in the United States of America.

Statements of Activities

Year Ended December 31, 2017 (With Comparative Totals for 2016)

Support and revenue:	2017	2016
Contributions		
Toys	$ 209,265,122	$ 216,046,383
Direct mail contributions	25,180,989	24,191,032
Individual	20,558,766	18,076,202
Corporate	12,271,576	12,183,836
Donated services	8,888,956	3,982,523
Combined Federal Campaign	198,792	266,154
Interest and dividends	3,518,456	2,157,682
Other	124,238	1,021,627
Events	140,482	135,957
Unrealized and realized (loss) gain on investments, net	6,602,747	2,515,289
Total support and revenue	**$ 286,750,124**	**$ 280,576,685**

Expenses		
Program services:		
Toy distribution program	$ 254,932,996	$ 263,821,405
Education program	2,937,608	3,240,044
Supporting services:		
Fundraising	9,300,423	7,586,021
Management and general	1,254,343	1,216,655
Total Expenses	**$ 268,425,370**	**$ 275,864,125**
Change in net assets	**$ 18,324,754**	**$ 4,712,560**

Net Assets		
Beginning	$ 130,107,375	$ 125,394,815
Ending	**$ 148,432,129**	**$ 130,107,375**

Program and Support Service Expenses

The Foundation's 2017 program to support services expense ratio was **97: 03**.

2017 Audited Financial Statement

The 2017 Audited Financial Statement is available on the Marine Toys for Tots Foundation website (www.toysfortots.org) or upon request at a cost of $2.00 to cover mailing and handling.

2017 Activities

Program Services and Events

- Supplemented local Toys for Tots campaigns with over 6 million toys valued at $63 million.
- Provided promotion and support materials valued at over $1,000,000.
- Published and distributed 22nd edition of the SOP for local TFT campaigns
- Conducted 16th Annual Coordinator Training Conference at the National Conference Center
- Provided local coordinators all-encompassing package of info and materials for successful campaigns
- Refined the national website
- Refined the Holiday Recognition Program
- Provided significant enhancements to each local campaign website
- Continued improvements to the After Action Report
- Conducted major PR and public information and education "call to action" campaign
- Rang Closing Bell at NYSE
- PSA's televised over 14,000 times during campaign season valued at $4.3 million
- 1,000,000 educational brochures distributed
- Over 20 million Direct Mail letters
- Media event with the First Lady
- Chief Justice, John Roberts, again dedicated the Annual Supreme Court Christmas Party to TFT
- Mr. John A. Frascotti, President, Hasbro Inc., one of our major corporate sponsors recognized as the honored guest at Marine Barracks Washington Evening Parade
- President & CEO personally conducted over 60 TV & radio interviews nationwide
- 8th Annual Hollywood Christmas Parade featuring Marine Toys for Tots
- 19th Annual Toys for Tots Holiday Train
- National Football League Teams dedicated games to local Toys for Tots Campaigns

Fundraising

- Registered with all states & DC to solicit funds
- 100 National Corporate Sponsors
  - Revenue - $46.6 million
- Direct mail campaign
  - 20 million Letters
  - Revenue - $25.1 million
- Combined Federal Campaign
  - Revenue - $199,000
- Special Events/Projects
  - Revenue - $934,000
- Individual Donations
  - Revenue - $20.5 million
- Local individually donated Toys
  - Revenue - $182.6 million

Management & General

- Operated in accordance with Internal Revenue Code, state laws, American Institute of Certified Public Accountants' rules, Better Business Bureau Wise Giving Alliance charitable standards
- Managed all funds raised and monetary donations received based on use of Toys for Tots name and logo
- Managed 10 checking, saving and investment accounts
  - 800 bank sub-accounts
- Managed Online Financial Data System to provide financial data 24/7 to local coordinators

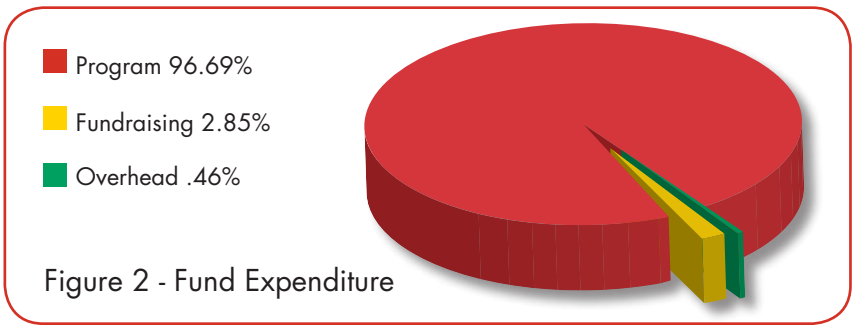


Figure 2 - Fund Expenditure

Marine Toys for Tots Foundation

Accolades

Philanthropy 400.
In 2017, the Chronicle of Philanthropy, for the nineteenth consecutive year, ranked Marine Toys for Tots Foundation in the Philanthropy 400. The Foundation ranked # 99 in the 2017 Philanthropy 400. It is noteworthy for the Foundation to be ranked number 99 of the approximately 1.9 million nonprofit organizations in the United States, of which 1.4 million are IRS recognized 501(c)(3) not-for-profit charities.

Better Business Bureau Wise Giving Alliance.
In 2017 The Marine Toys for Tots Foundation continued to meet all 20 of the standards established by the Better Business Bureau Wise Giving Alliance and has accordingly been designated an Accredited Charity and is a Seal Holder.

Accomplishments

1. **Literacy Program:** Continued to grow the Toys for Tots Literacy Program in concert with The UPS Store in order to provide books and educational materials to economically disadvantaged youngsters and schools in depressed areas.

2. **Purchase Card:** Further enhanced this program which is a cornerstone of annual campaigns. The purchase card allows Coordinators to purchase toys and support materials without having to utilize purchase orders, checks or cash.

3. **Successful Campaign:** With a record 800 Local Campaigns, distributed 18 million toys to 7 million less fortunate children.

4. **Audited Financial Statements.**
The Foundation, as has been the case since 1994, received an unmodified opinion on the 2017 financial statements from RSMUS, LLP.

5. **Program to Support Services Expense Ratio.**
The Foundation achieved a **97:03** ratio of program to support services expenses in 2017. This means that **97** cents of every dollar spent in 2017 went to program services and only **3** cents to fundraising, administrative, and overhead costs. **It's important for donors to realize that not one donated dollar goes to pay anyone's salary.** The interest and dividends from a special endowment fund pay all manpower costs.

*"The value of Toys for Tots to the Marine Corps and the Reserve establishment: **Priceless!**"*

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The UPS Store, Inc.
San Diego, CA

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New York, NY

Terry Gardner
Senior Managing Director
Cyrus J. Lawrence, LLC
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Mark A. Haden
Investor Relations Officer
Bunge Limited
White Plains, NY

Valerie Jackson
Col, USMCR
Civil Military Operations
Consultant
Frisco, TX

Houston Mills, Jr.
Director, Airline Safety
UPS
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Robert E. Milstead, Jr.
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Managing Partner
REM Strategies
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Col, USMC (Ret)
SES (Ret)
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Communications and
Electronics Association
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4th Marine Division
New Orleans, LA

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Military Advisor to
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Charlotte, NC

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Cornell Wilson, Jr.
Vice Chairman of the Board

Mark Haden
Treasurer

H. Pete Osman
President & CEO

Ted Silvester
Vice President
Marketing & Development

Brian A. Murray
Vice President Operations
Corporate Secretary

William W. Chip, Esq.
General Counsel

Support Staff Year End 2017

GySgt David E. Adamson, USMC (Ret)
Operations Chief

Mrs. Mitzie Anderson
Corporate Accountant

Mrs. Valerie M. Anderson
Accounting Specialist, Region 3

Mrs. Katherine C. Barnes
Accounting Specialist, Region 6

Mrs. Kelley J. Hardison
Deputy Vice President, Marketing & Development

Ms. Jennifer C. Laine
Administrative Assistant

Mr. Matthew D. McDonald
IT Specialist

Mrs. Laura A. Moyer
Executive Assistant to President & CEO

Mrs. JoAnn Roxburgh
Marketing Associate

Ms. Brooke M. Sumners
Accounting Specialist, Region 4

Mrs. Sara M. Mills
Marketing Clerk

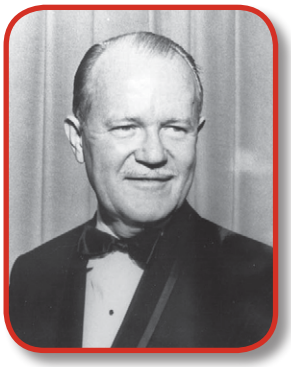
Ms. Jennifer R. Campeau
Accounting Specialist, Region 2

Ms. Karen M. Torrence
Accounting Specialist, Region 1

Mrs. Tammy W. Weatherholtz
Accounting Specialist, Region 5

The Founder and the Logo Creator

The Founder of Toys for Tots was the late Colonel William L. Hendricks, USMCR (Ret). In the middle 1940's, Bill Hendricks was the Director of Public Relations for Warner Brothers Studio and concurrently a Major in the Marine Corps Reserve. In the fall of 1947, Bill, with the assistance of members of his Marine Reserve unit, collected and distributed toys to the less fortunate children of Los Angeles, CA. The first toy was a handmade doll created by Bill Hendricks' wife, Diane. Bill Hendricks' pilot project was such a success that the Marine Corps adopted it and expanded it nation-wide in 1948. That year, Walt Disney designed the first Toys for Tots poster which included a miniature three-car train that was subsequently adopted as the Toys for Tots logo.



"Bill, if there is no agency available to deliver toys to less fortunate children at Christmas, why don't you create one?"

— Diane Hendicks

Marine Toys for Tots Foundation
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