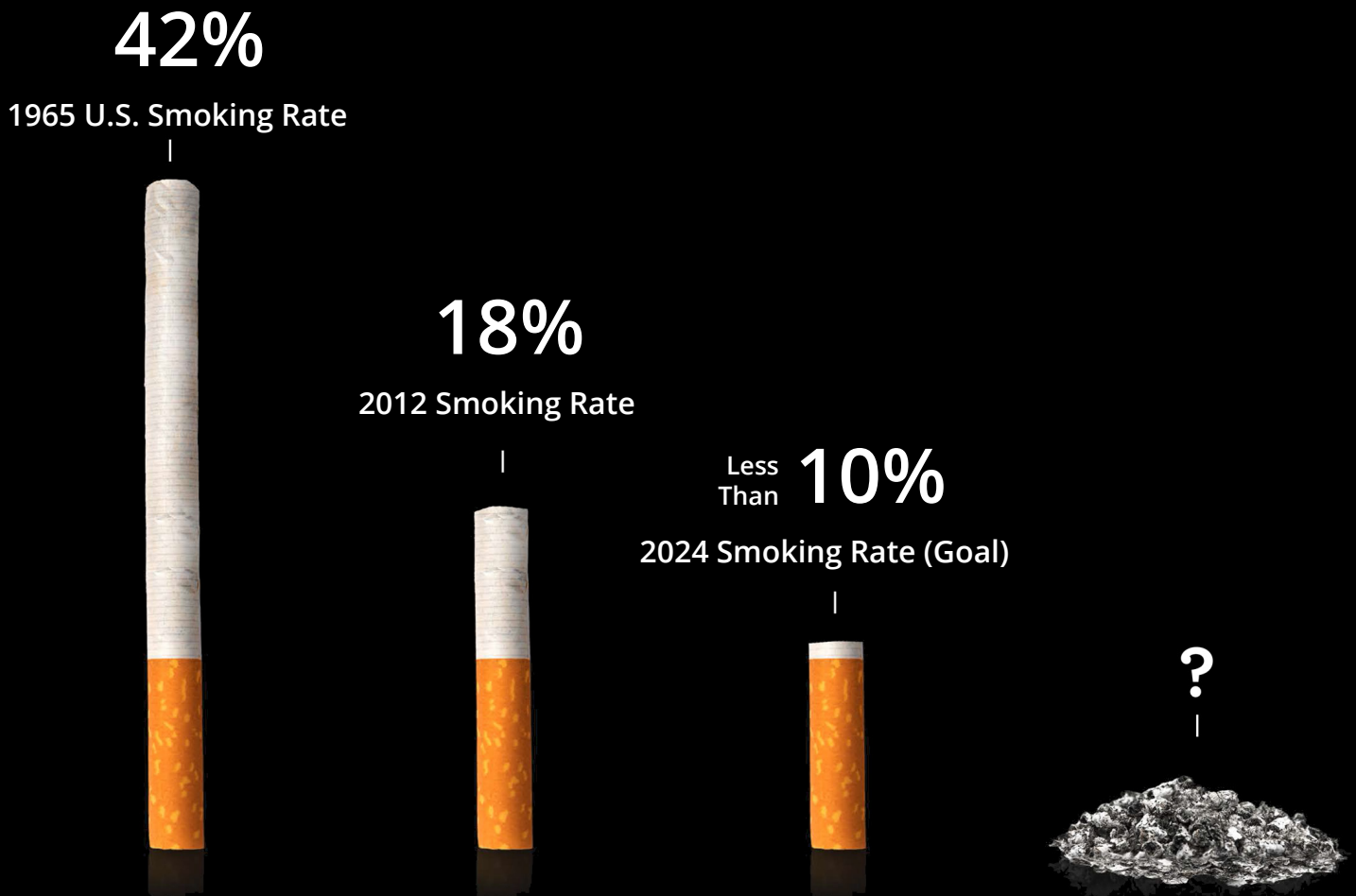
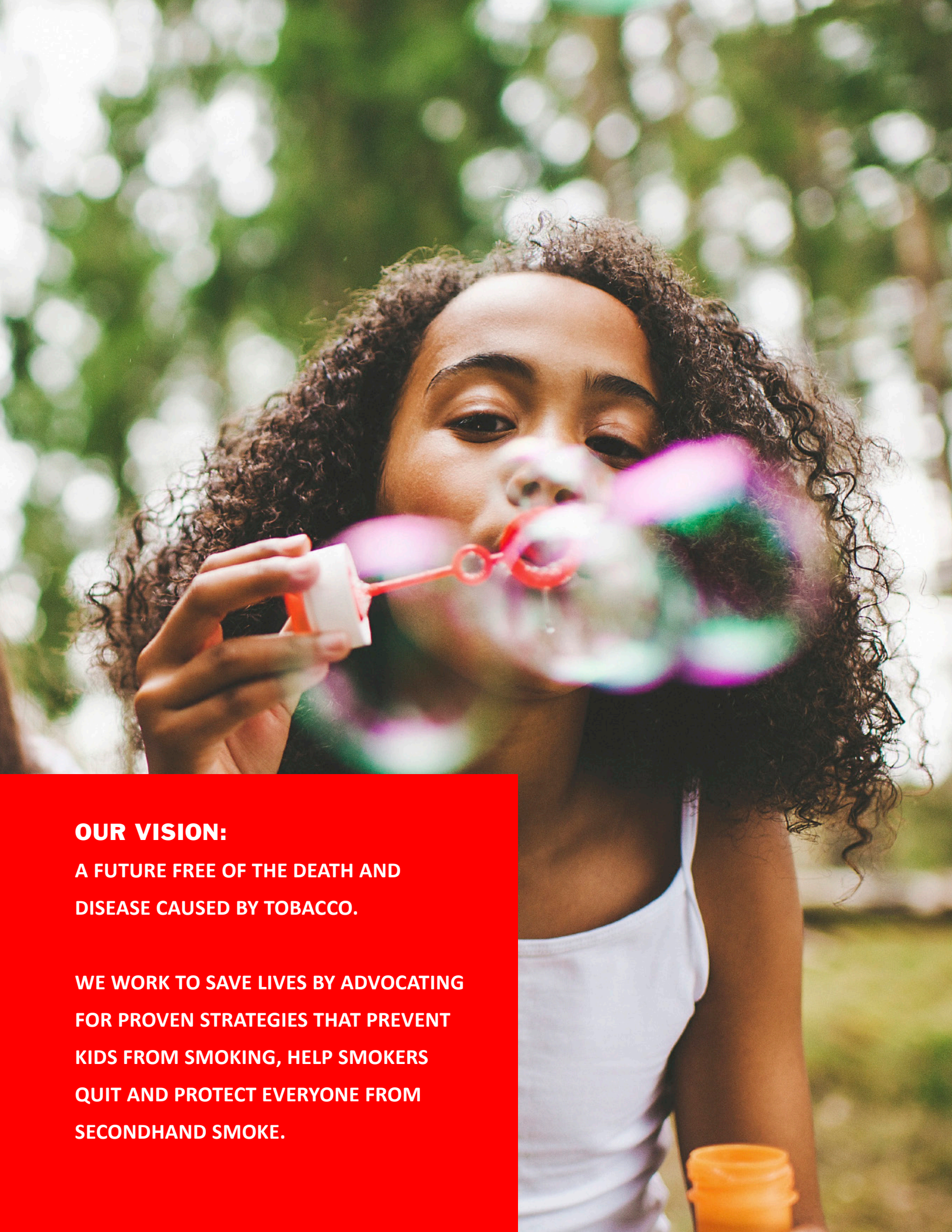


Making Tobacco History



2014 Annual Report
(FY 2014: April 1, 2013-March 31, 2014)





OUR VISION:

**A FUTURE FREE OF THE DEATH AND
DISEASE CAUSED BY TOBACCO.**

**WE WORK TO SAVE LIVES BY ADVOCATING
FOR PROVEN STRATEGIES THAT PREVENT
KIDS FROM SMOKING, HELP SMOKERS
QUIT AND PROTECT EVERYONE FROM
SECONDHAND SMOKE.**

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Making Tobacco History

At the Campaign for Tobacco-Free Kids, we fight every day to protect our children from tobacco addiction and save lives from tobacco use – the No. 1 cause of preventable death. We continue to make enormous progress, but we cannot and will not declare victory until we make the next generation tobacco-free and eliminate the death and disease caused by tobacco.

We are pleased to present our 2014 Annual Report, which covers our fiscal year from April 1, 2013, to March 31, 2014.

This report encompasses a truly historic and pivotal time in the fight against tobacco, including the 50th anniversary of the first U.S. Surgeon General’s Report on Smoking and Health. While celebrating the tremendous gains of the past 50 years, the Campaign for Tobacco-Free Kids and our partners pledged a renewed commitment to “make tobacco history” by ending the tobacco epidemic both in the United States and around the world.

We were energized by CVS Health’s exemplary decision to end tobacco sales at its more than 7,800 U.S. stores, which is one of the strongest actions any business has ever taken to reduce tobacco use. And we were inspired by the powerful media campaigns conducted by the Food and Drug Administration and the Centers for Disease Control and Prevention.

Worldwide, we saw once-unimaginable progress in countries such as Russia, India and China that have the world’s greatest numbers of smokers, as well as increased efforts in Africa to stop the tobacco epidemic from taking off. The Campaign for Tobacco-Free Kids has helped bring about this historic change with support from Bloomberg Philanthropies and the Bill & Melinda Gates Foundation.

Our actions and accomplishments give us great hope that we are indeed at a tipping point in the fight against tobacco.

To accelerate progress, we fight for proven solutions that prevent kids from smoking, help smokers quit and protect everyone from secondhand smoke. These include comprehensive



smoke-free laws, higher tobacco taxes, bold health warnings, well-funded tobacco prevention and cessation programs, mass media campaigns, and effective regulation of tobacco products and how they are marketed.

We continually expose the tobacco industry's efforts to target our children, and our annual Kick Butts Day reaches tens of thousands of kids across the nation.

Nevertheless, the battle against tobacco use is far from over. Every year, tobacco kills six million people worldwide. Every day, 100,000 young people around the world get addicted to tobacco. Every hour, Big Tobacco spends \$1 million to market its deadly products – just in the United States. If current trends continue, 250 million young people alive today – including 5.6 million children in the U.S. – will die from tobacco-related diseases.

The tobacco industry is as ruthless as ever in targeting our children and fighting any efforts to reduce the use of its deadly products. The Campaign for Tobacco-Free Kids is fighting just as hard to protect our children and save lives.

We are deeply grateful to all who support our mission and share our vision. Together, we will end the tobacco epidemic in the United States and around the world.



Matthew L. Myers
President



Susan M. Liss
Executive Director

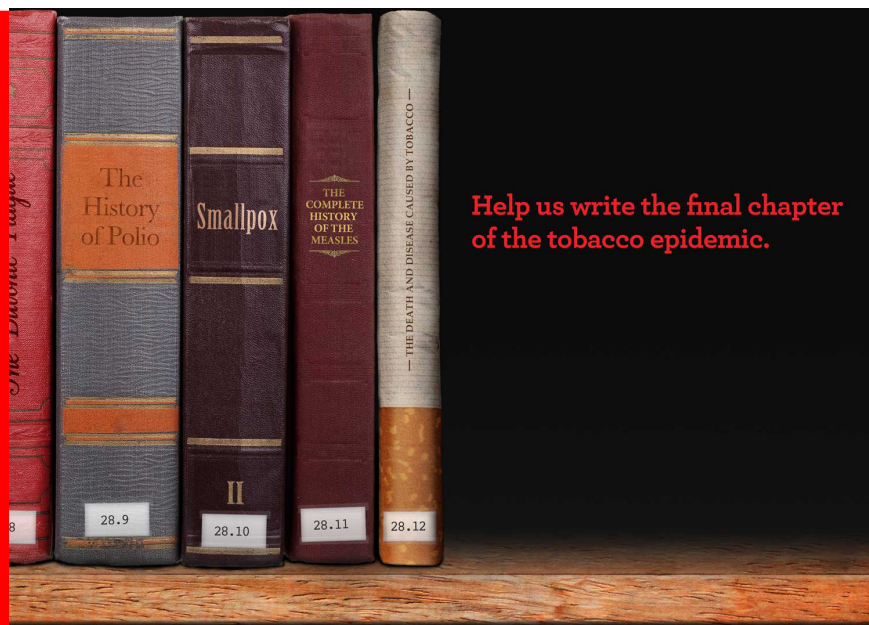


U.S. PROGRAMS AND DEVELOPMENTS

In January 2014, the United States marked the 50th anniversary of the first Surgeon General’s Report on Smoking and Health, which was a turning point in the nation’s fight against tobacco. This anniversary was a powerful reminder both of the enormous progress the United States has made in reducing tobacco use over the past 50 years and of the tremendous toll tobacco continues to take in health, lives and dollars. While celebrating our nation’s progress, the Campaign for Tobacco-Free Kids and our partners made a renewed commitment to end the tobacco epidemic for good.

New Surgeon General's Report found tobacco to be deadlier than ever.

The 50th anniversary report documented that smoking causes even more diseases, kills even more people and costs the nation even more in medical bills and other economic losses than previously reported. Stuningly, it also found that cigarettes today are more deadly than they were 50 years ago. To mark the anniversary, the Campaign for Tobacco-Free Kids and our public health partners called for bold action by all levels of government to achieve three goals: 1) Reduce smoking rates to less than 10 percent within 10 years; 2) Protect all Americans from secondhand smoke within five years; and 3) Ultimately eliminate the death and disease caused by tobacco use.



Help us write the final chapter of the tobacco epidemic.



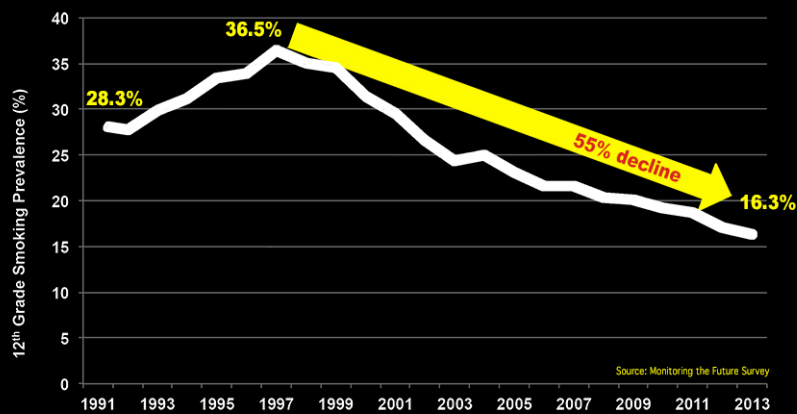
CVS made historic decision to stop selling tobacco products.

CVS announced that it would stop selling cigarettes and other tobacco products at its more than 7,800 stores across the U.S. CVS's courageous announcement sent a clear message about the dangers and unacceptability of tobacco use. The Campaign for Tobacco-Free Kids applauded CVS's action and launched efforts to convince other retailers to follow their powerful example.

Youth smoking continued steady decline.

The government's annual Monitoring the Future survey showed that overall youth smoking declined significantly in 2013, and smoking rates fell to record lows for all three grades surveyed (grades 8, 10 and 12). Since peaking in the mid-1990s, smoking rates have fallen by 79 percent among 8th graders, 70 percent among 10th graders and 55 percent among 12th graders.

National Smoking Trends Among 12th Graders 1991 - 2013





FDA launched new media campaign to prevent kids from smoking.

In contrast to the industry's marketing that glamorizes tobacco use, the FDA's campaign told America's youth the harsh truth about the health and other costs of tobacco use. The CDC also launched the third year of its highly successful Tips from Former Smokers campaign. The Campaign for Tobacco-Free Kids has been a strong advocate for these media campaigns.

New York City and Hawaii's Big Island raised the tobacco sale age to 21.

The Campaign for Tobacco-Free Kids has led efforts to adopt this new strategy, which is aimed at preventing young people from ever starting to use tobacco and countering tobacco industry efforts to target this vulnerable age group.



Increased tobacco taxes reduce smoking and save lives.

With our strong support, Minnesota and Massachusetts significantly increased their tobacco tax rates – by \$1.60 and \$1 per pack, respectively. Increasing the price of tobacco products remains one of the most effective ways to prevent kids from smoking and encourage smokers to quit.

Electronic cigarettes posed new challenges.

E-cigarettes were introduced with the hope that they might help smokers quit. As the use and marketing of e-cigarettes have grown rapidly, we continued to expose the irresponsible marketing of these products in ways that appeal to kids and advocated for effective regulation by the FDA and the states to protect public health and ensure any potential health benefits are supported by sound science.





INTERNATIONAL PROGRAMS AND DEVELOPMENTS

Globally, the Campaign for Tobacco-Free Kids supports efforts to reduce tobacco use in low- and middle-income countries that have high rates of tobacco use and have been targeted by the tobacco industry as growth markets. With the support of Bloomberg Philanthropies and the Bill & Melinda Gates Foundation, we help local tobacco control advocates push for and implement laws and policies that save lives.

Bangladesh enacted a landmark tobacco control law. The law required graphic warning labels covering 50 percent of the front and back of tobacco packaging; restricted tobacco advertising, promotions and sponsorships; and expanded requirements for smoke-free public places. Importantly for a country with high rates of smokeless tobacco use, the law extended tobacco control measures to include smokeless tobacco products.



Russia strengthened its tobacco control law, approving a total ban on tobacco advertising and setting fines for individuals and businesses that violate the country's requirement for smoke-free indoor public places. These actions built on a landmark law enacted earlier in 2013 that also banned tobacco advertising and restricted where tobacco products can be sold. These are critical steps in a country that is the world's second largest tobacco market and has one of the highest smoking rates.

India made significant progress in reducing consumption of gutka, a cheap, popular and deadly form of smokeless tobacco. With action by Uttar Pradesh, India's most populous state with over 200 million residents, 27 of India's 28 states and six of its seven union territories banned gutka, which is a major cause of the country's high oral cancer rates. The gutka bans represent significant progress to reduce the nearly one million deaths caused by tobacco use in India each year. The Campaign for Tobacco-Free Kids supported the Voices of Tobacco Victims campaign in this effort.





The Chinese government demonstrated leadership in support of smoke-free places. Government officials were directed to set an example by not smoking in public and to take the lead in making public places smoke-free. China has more smokers than any other country, and 1.3 million Chinese die each year from tobacco-related disease.

Senegal set an example for Africa with a comprehensive tobacco control law.

Senegal's new law banned tobacco advertising, promotions and sponsorships; required graphic health warnings covering 70 percent of the pack; and included strong provisions regarding smoke-free public places. The Campaign for Tobacco-Free Kids provided extensive support to the civil society organizations that championed the law. It set a powerful example for Africa, which has been targeted by the tobacco industry as a major growth opportunity.



**NO SMOKE
REVOLUTION**



Health advocates helped defend strong tobacco control laws against tobacco industry trade challenges.

As more countries take action to reduce tobacco use, tobacco companies have stepped up their legal battles, often challenging effective measures as violations of international trade and investment agreements. The Campaign for Tobacco-Free Kids has supported nations in these battles and worked to ensure that trade agreements, such as the proposed Trans-Pacific Partnership, protect the sovereign right of governments to adopt public health measures aimed at reducing tobacco use.

New report exposed Marlboro marketing campaign that targets youth.

The Campaign for Tobacco-Free Kids and global partners exposed how Philip Morris International's "Be Marlboro" campaign has spread to more than 50 countries despite having been found by a German court to target youth. We called for an end to this marketing campaign, which uses themes of sex, partying and risk-taking that clearly appeal to youth.



YOU'RE THE TARGET

New Global Marlboro Campaign Found to Target Teens



Youth Initiatives

Ninety percent of adult smokers began the deadly addiction as teenagers. As a result, youth are powerful voices in the fight against tobacco. They encourage their peers to stay tobacco-free, stand against the tobacco industry's deceptive marketing tactics and urge elected leaders to protect America's kids from tobacco.

Through initiatives like Kick Butts Day, our Youth Advocates of the Year Awards and our annual Youth Advocacy Symposium, the Campaign for Tobacco-Free Kids fosters the next generation of youth leaders who will finish the fight against tobacco.

Kick Butts Day. On March 19, 2014, thousands of youth across America took a stand against tobacco as part of the 19th annual Kick Butts Day. More than 1,500 events were held throughout the United States and on military bases around the world, making it one of the largest Kick Butts Day yet.



The 2014 Kick Butts Day highlighted key findings of the 50th Anniversary Surgeon General’s Report, in particular its finding that 5.6 million kids alive today will die prematurely from smoking without strong action to prevent it and that tobacco marketing – which totals \$1 million every hour – is proven to cause kids to start and continue smoking. On Kick Butts Day, youth and adults alike called for bold action to create a tobacco-free generation and end the tobacco epidemic for good.

Kick Butts Day also featured a special activity, called Stand with CVS, which encouraged participants to take and post “selfie” photos in front of CVS stores to show support for CVS’s decision to end tobacco sales. The activity generated hundreds of photos.





2013 Youth Advocates of the Year Awards Gala.

Each year, the Campaign for Tobacco-Free Kids recognizes exceptional youth who are leaders in the fight against tobacco. We are proud to recognize the important work they do at the local, state and international levels.

The 2013 Youth Advocates of the Year brought creativity, energy and courage to our cause. They inspire those of us who work alongside them and make tangible strides in the fight to end the tobacco epidemic.

East Regional Youth Advocate of the Year

Brittani Jones
Dorchester, Massachusetts

Central Regional Youth Advocate of the Year

Joanna Hejl
Lincoln, Nebraska

Group Winner Show-Me PALS

**Becky Base; Madison Kellums;
Alyssa Bradley; Daniel Giuffra**
Missouri

West Regional Youth Advocate of the Year

Darrien Skinner
Ingleside, Texas

South Regional Youth Advocate of the Year

Magi Linscott
Pace, Florida

National Youth Advocate of the Year

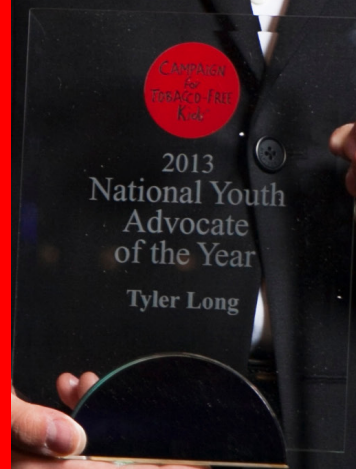
Tyler Long

Fletcher, North Carolina

In 2013, the Campaign for Tobacco-Free Kids presented our National Youth Advocate of the Year Award to Tyler Long, who has worked to educate his peers about the dangers of tobacco and to support proven strategies to reduce tobacco use in his community, his state of North Carolina and nationwide.

Tyler, the grandson of a tobacco farmer, heard mixed messages about tobacco use while growing up, so he decided to start his own Teens Against Tobacco Use (TATU) club at his middle school and served as President of his TATU club in high school. He regularly conducted advocacy trainings and played a strong role in the 2012 campaign urging state legislators to continue funding North Carolina's tobacco prevention program. He served as a youth leader in the program, called Tobacco Reality Unfiltered (TRU), and helped run the TRU fair where he educated middle school students about tobacco use in a fun, interactive way. Tyler also worked on campaigns to make parks and multi-unit housing smoke-free. Tyler also played a leading role in ending a tobacco sponsorship of Bele Chere, a major street festival in Asheville.

After receiving the award, Tyler serve as youth representative on the Campaign for Tobacco-Free Kids' Board of Directors, protested along with fellow youth advocates at Philip Morris International's annual meeting and helped train the next generation of tobacco control leaders at our Youth Symposium.



Financials

Campaign for Tobacco-Free Kids

Statement of Activities (Year Ended March 31, 2014)

Revenue	Unrestricted	Temporarily Restricted	Total
Grants income	\$139,077	\$8,332,931	\$8,472,008
Contributions	\$167,499	-	\$167,499
Events	\$399,106	-	\$399,106
Investment Income	\$24,220	-	\$24,220
Other Revenue	\$26,957	-	\$26,957
Net assets released from restriction	\$17,738,816	(\$17,738,816)	-
TOTAL REVENUE	\$18,495,675	(\$9,405,885)	\$9,089,790

Expenses

Program services:

Public information and communications	\$1,386,953	-	\$1,386,953
Research, advocacy and technical assistance	\$3,064,821	-	\$3,064,821
Constituent relations and outreach	\$538,443	-	\$538,443
International Programs	\$11,321,954	-	\$11,321,954

Supporting services:

General and administrative	\$1,159,165	-	\$1,159,165
Fundraising	\$887,046	-	\$887,046

TOTAL EXPENSES	\$18,358,382	-	\$18,358,382
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Change in net assets	\$137,293	(\$9,405,885)	(\$9,268,592)
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Net Assets

Beginning	\$3,423,375	\$31,500,976	\$34,924,351
Ending	\$3,560,668	\$22,095,091	\$25,655,759

Financials

Tobacco-Free Kids Action Fund

Statement of Activities (Year Ended March 31, 2014)

Revenue	Unrestricted	Temporarily Restricted	Total
Contributions and grants	\$190,225	\$550,000	\$740,225
Interest income	\$190	\$19,297	\$19,487
Other income	\$40	-	\$40
Net assets released from restriction	\$12,516,232	(\$12,516,232)	-
TOTAL REVENUE	\$12,706,687	(\$11,946,935)	\$759,752

Expenses

Program services:

Advocacy, research, communications, constituent relations, and outreach	\$1,148,272	-	\$1,148,272
International Programs	\$11,180,637	-	\$11,180,637

Supporting services:

General and Administrative	\$129,708	-	\$129,708
Fundraising	\$14,765	-	\$14,765

TOTAL EXPENSES	\$12,473,382	-	\$12,473,382
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Change in net assets	\$233,305	(\$11,946,935)	(\$11,713,630)
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Net Assets

Beginning	\$3,458,788	\$30,523,499	\$33,982,287
Ending	\$3,692,093	\$18,576,564	\$22,268,657

DONORS

Our work and progress would not be possible without those who support us financially. Thank you for supporting our mission and sharing our vision. This list is of supporters who have contributed \$250 or more.

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