



**Board of Trustees Meeting  
Minutes  
September 24, 2013**

**Board Members present:**

Curtis Coleburn, Kevin R. Cooper, M.D., Senator Thomas A. Garrett, Jr., Delegate T. Scott Garrett, M.D., Don Gehring, Baxter Gilliam Jr., Corey Howell, Robert Leek, Christopher S. Nicholson, M.D., Delegate John M. O'Bannon, III, M.D., Stephen Reardon, India Sisler, M. D., Marissa J. Levine, M.D. (Acting Chief Deputy for Public Health represented Cynthia C. Romero, M.D. as her designee).

**Board Members not present:**

January Britt, Sandy L. Chung, M.D., Edda Collins Coleman, Stacey M. Ely, Robert C. Gunther, M.D., Jeffrey Logan Holland, Sarah T. Melton, PharmD, Senator Ralph S. Northam, M.D., Davis C. Rennolds and Claudia Tellez.

**Staff:**

Lisa Brown, Eloise Burke, Richard Foster, Donna Gassie, Henry Harper III, Heidi Hertz, Marty Kilgore, Danny Saggese and Margaret White.

**Counsel:**

Carrie S. Nee, Office of the Attorney General

**Guests:**

Evelina Erickson, Executive Director, Prevention Connections  
Alexandra London-Gross, YMCA  
Tim Harris, Executive Director of Fauquier CADRE

**Called to order:**

Delegate John M. O'Bannon, III, M.D., Vice Chairman, called the meeting to order at 12:10 p.m.

Delegate John M. O'Bannon, III, M.D., welcomed two new board members: Richard Baxter Gilliam Jr. and India Sisler, M.D.

Delegate John M. O'Bannon, III, M.D. welcomed everyone to the meeting and asked for introductions from the members and staff.

**Election of Chair:**

Curtis Coleburn, Chair of the Personnel/Policy/Bylaws Committee reported he received two nominations for Chairman, both for Delegate John M. O’Bannon, III, M.D.

Curtis Coleburn asked if there were nominations from the floor and there were none.

**Motion:** to close nominations: Senator Thomas A. Garrett Jr.

Second: Don Gehring

Vote: Unanimous in favor

The Board unanimously affirmed Delegate John M. O’Bannon, III, M.D. as Chairman.

**Election of Vice-Chair:**

Curtis Coleburn reported there were two nominations for Vice-Chairman: Robert C. Gunther, M.D. and Sandy L. Chung, M. D.

Curtis Coleburn asked if there were nominations from the floor and there were none.

**Motion:** to close nominations: Delegate T. Scott Garrett, M.D.

Second: Robert Leek.

Vote: Unanimous in favor.

Curtis Coleburn asked for a show of hands for each candidate.

Sandy L. Chung, M.D. was elected as Vice-Chairman.

**Minutes:**

Motion: to approve the minutes as presented: Delegate T. Scott Garrett

Second: Curtis Coleburn.

Vote: Unanimous in favor.

**Chairman’s Comments:**

Delegate John M. O’Bannon, III, M.D. requested that everyone add future meeting dates to their calendars.

**Executive Director’s Report:**

**PROGRAMS:**

The Virginia Foundation for Healthy Youth (VFHY) North Regional Advisory Board met on May 30 in Fairfax. The board agenda included a presentation from VFHY tobacco prevention grantee Fauquier CADRE as well as updates on the upcoming VFHY/VDH Virginia Youth Survey and the region’s two Healthy Communities Action Team (HCAT) childhood obesity prevention grants. The staff person from Fauquier CADRE shared this message he received from one of the schools where he conducts the Too Good for Drugs program: “Thanks for another great year! At our most recent field day I had a mother of a 3rd and 5th grader stop Mr. Berg and I to tell us how much her girls loved your class and how much she appreciated your work with the kids. She was effusive in her praise and I feel the same. It is a privilege to have you join us each year and we certainly do appreciate it.” (From Matt Ormiston, middle school director, Highland School, Warrenton)

On June 7, state Delegate Rob Krupicka visited a VFHY-funded SPARK training hosted by Arlington County Parks and Recreation, a VFHY childhood obesity prevention grantee. The training at Langston-Brown Community Center in Arlington was attended by staff from Arlington Public Schools and Arlington Parks and Recreation summer camps. SPARK is an evidence-based Physical Education program for students from pre-K through 12th grade.

VFHY Deputy Director Marge White and Regional Grants Administrator Terri-ann Brown attended the Greater Richmond Fit4Kids School Nutrition Summit at the Science Museum of Virginia on June 18. The summit was one of the activities supported under VFHY's Healthy Communities Action Team grant to Greater Richmond Fit4Kids. Approximately 50 people attended.

On Aug. 22 VFHY Regional Grants Administrator Lisa Brown attended a ribbon-cutting ceremony for a new breastfeeding room at the Casey Clinic in Alexandria. The VFHY-funded Alexandria Healthy Communities Action Team led the effort to open the room, which is available for staff and clients of the clinic.

VFHY released RFP #852P016 for childhood obesity prevention grants on Aug. 20. The grants will create and/or support community-based Healthy Communities Action Teams that will institute childhood obesity prevention strategies on the local level. The award period is July 1, 2014 to June 30, 2016. A total of \$1.2 million is available to award over the two-year period, with individual awards not to exceed \$70,000. Healthy Communities Action Teams bring together partners throughout a locality to implement activities emphasizing policy, systems and environmental changes. Proposals are due by Oct. 15. Mandatory offeror's conferences are being held throughout the state: Sept. 11 in Hampton, Sept. 13 in Blacksburg and Sept. 16 in Fredericksburg.

**MARKETING:**

Two youth volunteers on VFHY's Y Street Leadership Team – Angie Campbell and Destiny Evans, both from Colonial Forge High School in Stafford – were invited to attend the annual Campaign for Tobacco-Free Kids (CTFK) Youth Advocacy Symposium in Washington, D.C. The symposium includes trainings from CTFK staff and other experts in the field, as well as opportunities to hone leadership skills and learn about policy advocacy. The symposium will also give youth from across the nation the opportunity to meet and learn from each other.

The Y Street Leadership Team (YSLT) gathered this summer in Arlington for its fifth annual meeting in an effort to increase youth participation in the development of the Y Street work plan. This year's annual gathering included a meeting at the FDA's Center for Tobacco Products (CTP) with Director Dr. Mitch Zeller and about 20 FDA CTP staff members. The YSLT has been invited to present its recent campaigns and provide some ideas for future plans. YSLT consists of the top 15 Y Street members from across the state, represent the 1,000-plus active high school-age volunteer members of Y Street statewide.

VFHY's Y Street initiative was mentioned during the keynote speech at the 7<sup>th</sup> annual National Smokeless and Spit Tobacco Summit held on Aug. 6-8 at the University of Montana, Missoula. Y

Street was praised for its efforts to conduct surveys and campaigns to inform the public about flavored smokeless tobacco products that are appealing to underage users.

### **CHILDHOOD OBESITY:**

On May 30 VFHY Executive Director Marty Kilgore attended a meeting at the Executive Mansion to discuss HealthCorp, an initiative started by television personality and author Dr. Oz. First Lady Maureen McDonnell began initial discussions with Dr. Oz regarding HealthCorp after his presentation at the 2013 National Governor's Association meeting and a visit to a HealthCorp school. Kristin Kaplan and Elizabeth Mancano with the Office of the First Lady facilitated the discussion. Meeting attendees included: Assistant Secretary for Education and Health Karin Addison and State Health Commissioner Dr. Cynthia Romero, as well as additional staff from VDH, DOE and DSS.

On June 6 VFHY Executive Director Marty Kilgore and Obesity Prevention Coordinator Heidi Hertz attended the Board of Health meeting at the request of State Health Commissioner Dr. Cynthia Romero. During the meeting, VDH Director of Government Relations Joe Hilbert presented information to the board on current childhood obesity prevention activities in Virginia and highlighted many of VFHY's initiatives.

On June 10 VFHY Executive Director Marty Kilgore and Obesity Prevention Coordinator Heidi Hertz met with Dr. Michael Royster, director of programs with the Institute for Public Health Innovation. Discussions centered around potential areas of collaboration and gaps in childhood obesity and youth tobacco use prevention the Institute can help address.

On July 8 VFHY Executive Director Marty Kilgore and Obesity Prevention Coordinator Heidi Hertz met with representatives from the Junior League of Northern Virginia to discuss the issue of childhood obesity, risk factors for overweight and obesity addressed by VFHY and potential partnership opportunities. Following the meeting VFHY will connect the Junior League of Northern Virginia to our Healthy Community Action Team grantees in the Northern Virginia region to discuss future local collaborations.

On July 9 VFHY Executive Director Marty Kilgore and other VFHY representatives met with representatives from the American Beverage Association and Virginia Beverage Association to share information about obesity prevention initiatives. Representing the beverage association were: Charles "Chuck" Duvall Jr. and Tripp Perrin of Lindl Corp. Government Affairs; Sandra Grance, senior director, state and local affairs, for the American Beverage Association; Shannon Hennessy, director of government relations, and Curtis Etherly Jr., director of public affairs and communications, Northeast Region, both of Coca-Cola Refreshments; Alison Patient, senior director, corporate affairs, Coca-Cola Bottling Co. Consolidated; and Darren Clark, senior director of government affairs, PepsiCo.

On July 10 VFHY Obesity Prevention Coordinator Heidi Hertz facilitated a meeting between VDH Special Nutrition Program Manager Denise Branscome and Alex London-Gross, project manager for the Virginia Alliance of YMCAs' Robert Wood Johnson Foundation grant. A key component of the YMCA's work in childhood obesity prevention is creating healthy eating

environments in YMCA-run childcare centers. The meeting discussions focused on ways to promote healthy eating practices within VDH's Child and Adult Care Food Program regulations.

On Aug. 6 VFHY co-hosted the Building Community-Academic Partnerships Forum with the Virginia Tech Center for Public Health Practice and Research in Blacksburg. The forum brought together more than 30 attendees representing community-based organizations and academic institutions including Emory & Henry College and Roanoke College. This forum was born out of the success of VFHY prevention grantees partnering effectively with Southwest Virginia academic institutions. At the forum, four panelists shared innovative ways to engage and work with academic institutions for assistance with evaluation, research, data collection and grant writing. Representing VFHY were Board of Trustees member Dr. Sarah Melton; Regional Advisory Board members Dr. Paul Estabrooks, Amy Smith and Rebecca Buchanan; Southwest Regional Grants Administrator Jenny Martin and Obesity Prevention Coordinator Heidi Hertz. The Virginia Tech Fralin Center for Translational Obesity Research provided lunch for the attendees.

### **YOUTH HEALTH SURVEY**

VFHY and VDH are collaborating to conduct the 2013 Virginia Youth Survey. The survey includes a combination of questions from VDH's previous Youth Health Survey and VFHY's previous Youth Tobacco Survey and Nutrition and Physical Activity Survey. VFHY and VDH combined the surveys after the 2011 administration of the three surveys to reduce the burden on school systems. VDH and VFHY received the random sample of schools from the Centers for Disease Control and Prevention (CDC) to complete statewide and regional surveys for the 2013 Youth Health Survey. The Staff have contacted all selected school division superintendents as well as individual middle and high school principals to schedule dates for survey administration in October and November, 2013. VFHY staff, regional advisory board members and grantees as well as VDH staff will administer surveys in schools that request administrators (versus using their teaching staff). Upon completion of survey administration, the CDC will run data tables for analysis. The CDC plans to include Virginia's data in a national report of all states' data in the spring of 2014.

### **SECRETARY OF HEALTH AND HUMAN RESOURCES:**

VFHY Executive Director Marty Kilgore and Obesity Prevention Coordinator Heidi Hertz met with representatives of the Health and Human Resources Taskforce on Nutrition and Obesity, including Joe Chandler and representatives of the state Department for the Blind and Visually Impaired (DBVI). A pilot project started last year to market healthy food options at the James Monroe cafeteria is moving into full implementation with graphics and resources. Future steps include expanding the pilot program to other state agency food systems and further partnership with DBVI.

VFHY Executive Director Marty Kilgore attended the May 29 meeting of the Interagency Task Force on Obesity and Nutrition. During the meeting the task force members worked on revising the draft Interagency Plan for Obesity Prevention and Healthy Nutrition that will be presented to Secretary of Health and Human Resources, Dr. Bill Hazel. The task force also heard presentations from the Department of Agriculture and Consumer Services about the Virginia Grown and Farm-

to-School programs and from the Department of Medical Assistance Services about its efforts to promote obesity prevention and healthy lifestyles.

On June 26, VFHY staff members met with Secretary Hazel and Deputy Secretary Matt Cobb for the agency quarterly update.

On Aug. 5 VFHY Executive Director Marty Kilgore and Public Affairs Manager Richard Foster met with Secretary Hazel and Deputy Secretary Cobb to discuss agency legislative priorities for the 2014 General Assembly, potential collaborative opportunities on childhood obesity prevention with the Washington Redskins and the status of the upcoming VDH/VFHY Youth Health Survey.

On Aug. 29 VFHY Executive Director Marty Kilgore and Obesity Prevention Coordinator Heidi Hertz attended a meeting of the Interagency Task Force on Obesity and Nutrition. At the meeting Dr. Lauri Kalanges, acting director of VDH's Office on Family Health Services, presented a review of current obesity data and statistics. Joe Hilbert, VDH's director of governmental and regulatory affairs, presented an overview of the Excellence in State Public Health Law Program and a revised draft for the Interagency Plan for Obesity Prevention and Healthy Nutrition.

#### **MISCELLANEOUS:**

On May 16 VFHY Executive Director Marty Kilgore and Obesity Prevention Coordinator Heidi Hertz met with Libby Brown and Katie Lachey from the Frontier Group to discuss the upcoming 2015 UCI Road World Championships cycling event, which will be held in Richmond on Sept. 19-17, 2015. During the meeting, opportunities for future partnership to expand the race's reach statewide and to youth and families were discussed.

VFHY Director of Community Outreach and Development Henry Harper moderated a panel discussion at the Virginia Substance Abuse Services Council meeting on May 29. The topic of the discussion was "Critical Issues Related to Tobacco Use in Virginia" and it featured a presentation by Dr. Randy Koch, executive director at Virginia Commonwealth University's Institute for Drug and Alcohol Studies. Koch's presentation was titled "Behavioral Healthcare Staff Attitudes and Practices regarding Consumer Tobacco Use." He discussed the issues of dealing with tobacco use as a substance of abuse in the behavioral healthcare setting and the challenges of its treatment. Also on the panel were: Janis Dauer, M.S., C.A.C., executive director of the Alliance for the Prevention and Treatment of Nicotine Addiction; Dr. Sterling Deal, Ph.D., manager of evaluation and data support at the Office of Substance Abuse Services, Virginia Department of Behavioral Health and Developmental Services; Joseph Cannon, special agent in charge of training and support services for the state Department of Alcoholic Beverage Control; and Marisa Harris, FDA tobacco program coordinator for the Department of Alcoholic Beverage Control.

On June 19 representatives from VFHY presented during mini-plenary sessions at the seventh Biennial Childhood Obesity Conference in California. VFHY Director of Marketing Danny Saggese presented with representatives from the Oasis Institute and ChangeLab solutions in the session entitled *Physical Activity: Advocacy to Implementation*. The presentation also featured Julie Welch, a Y Street youth volunteer leader who shared information about Y Street's ActOut campaign, which demonstrates how outcome-oriented youth engagement can impact policy

change efforts to encourage physical activity in schools. The results of the ActOut campaign were also displayed during the conference's two poster sessions. Additionally, VFHY/Y Street led two roundtable discussions on strategies to engage youth in the childhood obesity prevention movement. VFHY Obesity Prevention Coordinator Heidi Hertz also presented at the conference with representatives from Minnesota and San Diego to highlight strategies to improve the built environment to prevent and reduce childhood obesity in a presentation entitled *Embedding Health and Equity in Transportation Planning to Address Childhood Obesity*. VFHY's presentation focused on the foundation's successful partnership with the Virginia Department of Transportation to promote walking and biking to school through Walk to School Day events and leveraging federal transportation funding.

On June 24-25 VFHY Deputy Director Marge White attended the Funder's Alliance meeting. The Alliance consists of MSA-funded and hospital-conversion foundations. The meeting focused on topics for quarterly meetings with the Centers for Disease Control and Prevention, funding around priority populations, and strategies to protect MSA funding in states. The Alliance meets twice per year with the next meeting in November/December.

On July 16 VFHY Obesity Prevention Coordinator Heidi Hertz attended a planning meeting for the 2013 Virginia Out of School Time Summit. The purpose of the summit is to bring together leaders during out-of-school time to develop strategies for achieving student success through quality out-of-school time programs. This year's summit was held on Aug. 19 at the Virginia State Capitol.

VFHY Executive Director Marty Kilgore attended the Aug. 1 meeting of VOSAP (Virginia Office for Substance Abuse Prevention, formerly known as GOSAP). Discussions included ways to increase and foster inter-agency collaborations.

VFHY Public Affairs Manager Richard Foster attended the seventh annual National Conference on Health Communication, Marketing and Media, held Aug. 20-22 in Atlanta. Sponsored by the National Public Health Information Coalition, the conference focused on topics including social media strategy, public health campaigns and effective use of media.

On Aug. 19 VFHY Obesity Prevention Coordinator Heidi Hertz participated in the Virginia Out-of-School-Time Summit hosted by the Virginia Commission on Youth and VPOST (Virginia Partnership for Out-of-School-Time). The presentation focused on VFHY's partnership with out-of-school-time providers to create healthier environments for nutrition and physical activity. Other panelists included: Anthony Griffin from George Mason University; David McGinnis representing Mission Readiness; and Duane Sergent from the Virginia Department of Education.

**MEDIA:**

On June 12 VFHY Obesity Prevention Coordinator Heidi Hertz was interviewed by Clear Channel Radio, along with Robert Reitz from the Richmond City Health District (RCHD). The purpose of the interview was to share information about RCHD's Million Hearts Campaign and the June 22 RVA Streets Alive event. During the interview, Hertz served as the subject area expert, sharing trends and prevention strategies around obesity, heart disease and chronic disease.

The interview aired on Richmond's XL102, Lite 98, 106.5 The Beat and Q94 FM stations on June 16.

Former VFHY Board of Trustees member Jay James interviewed Childhood Obesity Prevention Coordinator Heidi Hertz about childhood obesity issues during the afternoon drive-time talk show on Charlottesville's WINA AM 1070, where James serves as program manager and an on-air personality.

**RFP:**

VFHY issued RFP 852G001 to identify one or more contractors to work on graphic art needs. The RFP was distributed on June 10 and closed on June 28. Seventeen proposals were received in response to the RFP. All graphic art design including print, Web, PowerPoint, illustration and creative artwork will be completed under the contract(s) issued through this RFP.

**EXECUTIVE COMMITTEE:**

The VFHY Board of Trustees Executive Committee held a special meeting on Aug. 23 to approve recommendations for RFP 852G001 for graphic design services. The committee recommended that one-year contracts not to exceed \$10,000 each be offered to three applicants: OmniStudio, Saforian and Some Design. The Committee's action will be presented to the Board of Trustees for affirmation at its next meeting.

**HEALTHY YOUTH DAY:**

On July 9 VFHY staff met with representatives of the University of Richmond to discuss potential partnership opportunities and planning for the fifth annual Virginia Healthy Youth Day, to be held in January 2014. VFHY staff members at the meeting were Executive Director Marty Kilgore, Deputy Director Marge White and Public Affairs Coordinator Richard Foster. Vaughan Moss, director of marketing and sales, and Jana Ross Woodson, assistant athletic director for marketing and fan involvement, represented the University of Richmond.

**Affirm Executive Committee Actions:**

Delegate John M. O'Bannon reported the Executive Committee met August 23, 2013 to approve contract awards from the Graphic Art RFP852G001.

**Motion:** to affirm the actions of the Executive Committee to award the contracts for three companies with amounts not to exceed \$10,000 each as recommended by the review team: Curtis Coleburn.

Second: Delegate T. Scott Garrett, M.D.

Vote: Unanimous in favor.

**Budget Report:**

Margaret White reported in the absence of Wilma Jordan, Business Manager, on the FY 13 Year-End Financial Statements and Notes to Financial Statements. She noted the report will be included in the Foundation's annual report.

Margaret White noted the significant variance in the State General Fund Transfers Out line item resulted from escrow funds being released to VFHY upon completion of the MSA arbitration by the Office of the Attorney General and the subsequent transfer of about \$3.9 million of the funds to other state agencies/universities.



A Year to Date budget report which shows our cash flow will be provided at the December 3, 2013 meeting.

Delegate T. Scott Garrett, M.D. questioned the consistency of the MSA payments. Ms. White explained that MSA payments are fairly consistent; however, since 2008 there have been adjustments due to tobacco manufacturers' withholding portions of their payments as allowed in the MSA document.

**Old Business:**

None

**New Business:**

**VFHY HR Policy Handbook**

Curtis Coleburn reported the Policy/Personnel/Bylaws committee met to review the updated VFHY HR Policy Handbook and recommends its approval. He noted there were three main updates to the Handbook:

1. Organization name change from Virginia Tobacco Settlement Foundation (VTSF) to Virginia Foundation for Healthy Youth (VFHY)
2. Addition of a section on disciplinary procedures
3. Revision of grievance procedure

**Motion:** to approve the revised VFHY HR Policy Handbook: Don Gehring.

Second: Robert Leek.

Vote: Unanimous in favor.

**Public Comment:**

Keenan Caldwell, American Cancer Society Cancer Action Network (ACS CAN) reported that ACS CAN staff and volunteers advocate to state, local and federal officials for funding for obesity prevention and youth tobacco prevention. Political candidates were recently surveyed by ACS CAN including their views on youth tobacco use prevention and results will be released soon.

**Committee Reports:**

**Program Committee**

Donna Gassie, Director of Programs, reported that the Program Department released RFP852P016 Healthy Communities Action Team (HCAT) on August 20. A total of \$1.2 million for a 24 month period is available. Completed online proposals are due October 15, 2013. Recommendations will be shared at the December 3, 2013 board meeting for approval.

Donna Gassie reported the Reduce Tobacco Use Conference for Youth and Young Adults will be held April 10 – 11, 2014 at the Sheraton Pentagon City in Arlington, VA. Registration will open between October 1 and October 15.

Lastly, Donna Gassie reported the statewide evaluation concept mapping is on track. Results will be shared at the December 3, 2013 board meeting.

### Grantee Presentation:

Lisa Brown, Regional Grants Administrator, North Region introduced Tom Harris, Executive Director of Fauquier CADRE. CADRE is a community coalition of concerned people who are working together to prevent the use and abuse of alcohol and drugs by Fauquier County's youth and who support a continuum of substance abuse treatment services. He conducts the Too Good for Drugs Program and reaches 450 students a year. More information can be found at:

<http://www.fauquier-cadre.org/>

### Marketing Committee

Danny Saggese, Director of Marketing, reported that twenty-four Y Street grantees have been selected for FY2014 awards to train high school aged youth to become Y Street members and work on health-related projects within their communities. Most of the groups are school based, and it is anticipated that more than 600 youth will be trained statewide when the trainings are finished. The two campaigns Y Street will focus on this year are ActOut (promoting physical education in VA elementary and middle schools) and Distasteful (assessing the dangers to youth associated with the flavoring of other tobacco products).

Danny Saggese reported that youth from VFHY's Y Street initiative have been invited twice to the FDA's Center for Tobacco Products to make presentations, and that Y Street continues to be recognized as one of the leading youth engagement movements in the country.

Lastly, Danny Saggese showed many new tobacco products that are being sold with candy and fruit flavors, which have been shown to appeal to children.

### Research Committee

Dr. Kevin R. Cooper, Chair of the Research Committee, reported that the VFHY youth surveys will start soon and are to be completed by year end. Some 200+ schools are participating in the survey process. Data sets and analysis will be provided by the CDC upon completion of survey administration.

Research site visits are being completed in this quarter. Dr. Kevin R. Cooper noted that site visits to large grant recipients (\$350,000 to \$450,000) are done to keep track of grantees, ensuring they are making progress, performing the work as described in their research design and meeting their goals.

Lastly, Dr. Kevin R. Cooper reported one of the goals of the research program is to provide seed money to investigators to develop their expertise and skills to continue tobacco related research, so they can obtain bigger grants from the NIH and other large grant institutions. Recently, three VFHY grant recipients used their pilot data and work and have been awarded NIH grants ranging from \$400,000 to \$18 million.

### Prevention Connections Report

Evelina Erickson, Executive Director of Prevention Connections, reported on Prevention Connections mission statement: to promote health through better nutrition, increased physical activity, and tobacco prevention and cessation. Prevention Connections was established to expand and enhance the mission of the Foundation.

Prevention Connections is funded through grant funds, corporate and private donations, and strategic partnerships.

Evelina Erickson thanked everyone who participated in The Amazing Raise and made a donation. More information can be found at: <http://preventionconnections.org/>

**Announcements**

Next Board Meeting Dates:

December 3, 2013

May 20, 2014

September 23, 2014

December 4, 2014

**Adjournment:**

The meeting was adjourned at 1:30 p.m. by Delegate John O'Bannon, III, M.D.

VIRGINIA FOUNDATION for HEALTHY YOUTH

STATEMENT OF ACTIVITIES AND CHANGES IN FUND BALANCE

For the Fiscal Year Ended June 30, 2013

				Net (Expense) Revenue and Changes in Net Assets
<b>REVENUES:</b>				
	Master Settlement payments (Note 6)			14,495,615
	Interest Income (Note 6)			0
	* Proceeds from securities lending transactions (Note 1-B)			0
	Grants and other revenues (Note 6)			34,396
	<b>Total Revenues</b>			<b>14,530,011</b>
<b>EXPENDITURES:</b>				
		Expenses	Adjustments	
	Tobacco Settlement Expense:			
	Administration (Note 7)	\$ 921,865	\$ 0	\$ -921,865
	Depreciation Expense (Note 3)	0	0	0
	Expenses for Securities Lending (Note 1-B)	0	0	0
	Marketing (Note 4-C)	2,817,678	0	-2,817,678
	Program Expense (Note 8)	3,012,177	0	-3,012,177
	Research and Evaluation (Note 9)	1,221,592	0	-1,221,592
	Obesity (Note 8)	867,514	0	-867,514
	Grant Program Expenses (Note 8)	10,000	0	-10,000
	Inter-Agency Expenses (Note 10)	65,000	0	-65,000
	State General Fund Transfers Out (Note 11)	4,008,972	0	-4,008,972
	<b>Total Expenditures</b>	<b>12,924,797</b>	<b>0</b>	<b>-12,924,797</b>
	<b>Excess (deficiency) of revenue over expenditures</b>			<b>1,605,213</b>
	Fund Balance/Net Assets, July 1, 2012			8,362,125
	Fund Balance/Net Assets, June 30, 2013			\$ 9,967,338

The accompanying notes are an integral part of the financial statements

\* The Commonwealth's policy is to record unrealized gains and losses in the General Fund in the Commonwealth's basic financial statements. When gains or losses are realized, the actual gains and losses are recorded by the affected agencies. VFHY had none this year.

VIRGINIA FOUNDATION for HEALTHY YOUTH		
STATEMENT OF NET ASSETS AND GOVERNMENTAL FUNDS		
BALANCE SHEET		
For the Fiscal Year Ended June 30, 2013		
		Governmental Funds
		Special Revenue
<b>ASSETS:</b>		
Cash and cash equivalents held by the		
Treasurer of Virginia (Note 1-A)	\$	10,888,625
*Investments Held by the Treasurer (Note 1-B)	\$	-
Lease Deposits (Note 2-A)	\$	6,366
Prepaid Expenses (Note 2-B)	\$	5,364
Capital Assets, net of accumulated depreciation: (Note 3)	\$	-
Operating equipment	\$	-
<b>TOTAL ASSETS</b>	<b>\$</b>	<b>10,900,355</b>
<b>LIABILITIES:</b>		
Accounts Payable (Note 4-A)	\$	9,973
Accrued Payroll (Note 4-B)	\$	78,758
Obligations Under Security Lend (Note 1-B)	\$	-
Grants/Contractual Payable (Note 4-C)	\$	747,758
Compensated absences (Note 5)	\$	96,527
<b>Total Liabilities</b>	<b>\$</b>	<b>933,017</b>
<b>NET ASSETS:</b>		
Investment in Capital Assets, net of related debt	\$	-
Unrestricted	\$	9,967,338
<b>Total net assets</b>	<b>\$</b>	<b>9,967,338</b>

The accompanying notes are an integral part of the financial statements

\* *The Commonwealth's policy is to record unrealized gains and losses in the General Fund in the Commonwealth's basic financial statements. When gains or losses are realized, the actual gains and losses are recorded by the affected agencies. VFHY had none for fy13*

VIRGINIA FOUNDATION for HEALTHY YOUTH

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
 BUDGETARY COMPARISON - SPECIAL REVENUE FUND  
 For the Fiscal Year Ended June 30, 2013

	Actual	Budget	Variance over(under)
Revenues:			
Interest on Securities	0	0	0
Proceeds from Security Transactions	0		
Grants and other revenues	34,396	0	
Master Settlement payments	14,495,615	10,221,777	4,273,838
<b>Total Revenues:</b>	<b>14,530,011</b>	<b>10,221,777</b>	<b>4,308,234</b>
Expenditures:			
Administration	921,865	1,000,000	(78,135)
Depreciation Expense	0	0	0
Inter-Agency Expense	65,000	65,000	0
Dues and Subscriptions	0	0	0
Expenses for Securities Lending	0	0	0
Marketing	2,817,678	2,915,000	(97,322)
Program Expense	3,012,177	3,256,000	(243,823)
Grant Programs Expenses	10,000	0	10,000
Research and Evaluation	1,221,592	1,100,000	121,592
Obesity	867,514	1,000,000	
State General Fund Transfers Out	4,008,972	75,000	3,933,972
<b>Total Expense</b>	<b>12,924,797</b>	<b>9,411,000</b>	<b>3,513,797</b>
Revenues over (under) expenditures	1,605,213	810,777	794,436
Fund Balance/Net Assets, July 1, 2012	8,362,125		
Fund Balance/Net Assets, June 30, 2013	9,967,338		

PRIOR YEAR COMPARISON STATEMENT OF ACTIVITIES

For the Fiscal Year Ended June 30, 2013

	Jul '12 - Jun '13	Jul '11 - Jun '12	\$ Change
<b>Revenues:</b>			
Interest on Securities	0	0	0
Proceeds from Security Transactions	0	0	0
Grants and other revenues	34,396	64,086	-29,690
Master Settlement payments	14,495,615	9,557,501	4,938,114
<b>Total Revenues:</b>	<b>14,530,011</b>	<b>9,621,587</b>	<b>4,908,424</b>
<b>Expenditures:</b>			
Administration	921,865	833,319	88,545
Depreciation Expense	0	0	0
Dues and Subscriptions	0	0	0
Expenses for Securities Lending	0	0	0
Inter-Agency Expense	65,000	65,000	0
Marketing	2,817,678	3,291,727	-474,049
Program Expense	3,012,177	2,980,456	31,721
Grant Programs Expenses	10,000	53,262	-43,262
Research and Evaluation	1,221,592	1,384,533	-162,941
Obesity	867,514	1,004,695	-137,181
State General Fund Transfers Out	4,008,972	72,062	3,936,910
<b>Total Expense</b>	<b>12,924,797</b>	<b>9,685,054</b>	<b>3,239,743</b>
<b>Revenues over (under) expenditures</b>	<b>1,605,213</b>	<b>-63,467</b>	<b>1,668,681</b>

Virginia Foundation for Healthy Youth  
NOTES TO FINANCIAL STATEMENTS  
AS OF JUNE 30, 2013

Note 1: CASH, CASH EQUIVALENTS, AND INVESTMENTS

A. Cash and Cash Equivalents

Cash and cash equivalents represent cash in the General Account at the Department of the Treasury. Treasury manages the General Account Investment Portfolio. Information related to the composition of this portfolio is available on a statewide level in the Commonwealth of Virginia's Comprehensive Annual Financial Report.

B. Securities Lending Transactions

Investments and cash equivalents held by the Treasurer of Virginia represent the Virginia Tobacco Settlement Foundation's (VFHY) allocated share of cash collateral received and reinvested and securities received for the State Treasury's securities lending program. Information related to the credit risk of these investments and the State Treasury's securities lending program is available on a statewide level in the Commonwealth of Virginia's Comprehensive Annual Financial Report. ***The Commonwealth's policy is to record unrealized gains and losses in the General Fund in the Commonwealth's basic financial statements. When gains or losses are realized, the actual gains and losses are recorded by the affected agencies.***

Cash with the Treasurer of Virginia \$ 10,888,625

Investments held by the Treasurer of Va. 0

Total cash, cash equivalents, and investments \$ 10,888,625

Note 2: LEASE DEPOSITS and RENTS

A. VFHY rents office space at 701 E. Franklin for the main office and as of June 30, 2013 had field staff offices located in Fork Union, Blacksburg, and Hayes, Virginia. Three leases required deposits. The Richmond office is \$5,126.00, Hayes office \$840.00, and Fork Union office of \$400.00 for a total of \$6,366.00 in deposits for rental leases.

B. Prepaid expenses are any payments made in the current fiscal year for expenses that will occur in the next fiscal year. As of June 30, 2013 VFHY had prepaid expense of rents totaling \$5,364.

Note 3: CAPITAL ASSETS

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the government-wide financial statements. The government defines capital assets as assets with an initial, individual cost of more than \$5000.00 and an estimated life in excess of two years. The Virginia Foundation for Healthy Youth did not procure assets that would meet the capital asset requirements; therefore, they are maintained in an internal inventory control system.

Note 4: LIABILITIES

A. Accounts payable

Operating expenses accrued but unpaid as of June 30, 2013 totaled \$9,973.

B. Accrued Payroll

All VFHY employees are paid on a semi-monthly schedule. Accrued payroll expenses of \$78,758 represents work performed prior to June 30, 2013 but registered in FY14 Commonwealth Accounting Reconciliation System.

C. Grants/Contractual payables



The VFHY awarded funding to programs all over the Commonwealth for the prevention of tobacco use and obesity by youths. The VFHY contracted with higher education universities to conduct research, surveys and evaluations on tobacco use and prevention. They also have contracts with marketing agencies to lead a major campaign geared toward youths throughout Virginia on the prevention of tobacco use and childhood obesity. At the end of the fiscal year there were outstanding payables for which VFHY had received invoices in the amount of \$747,758.

#### Note 5: COMPENSATED ABSENCES

Compensated absences represent the amounts of annual, disability credits, and compensatory leave earned by VFHY employees, but not taken as of June 30, 2013. The \$96,527 represents the balances at the fiscal year end provided by the Commonwealth's leave liabilities tracking program. To determine how much of this amount to record as long-term liability, calculations were made by adding estimated additional earned leave and subtracting estimated leave to be taken during FY14. Balances for staff with longer years of service were based on the allowable carry forward amounts. As a result, it has been determined that \$51,341 of the entire amount is long-term liability and the remainder is considered a short-term liability.

#### Note 6: REVENUES

The VFHY is funded by receiving 10% of Virginia's share of the Master Settlement Agreement (MSA) negotiated between the various Attorneys General and the tobacco manufacturers in 1998. In FY 2013, the VFHY received \$14,495,615 in MSA payments and \$0 in interest payments. VFHY did not receive the full 10% due to legislation that decreased the amount to 8.5% for the fiscal year and due to deposits made into a dispute escrow fund by participating tobacco manufacturers resulting from estimated decreases in market share to non-participating manufacturers. Approximately \$4 million of this revenue was from the release of funds held in escrow, but were reverted back to the Commonwealth per legislation. VFHY received grant funds from VDH to broaden scope of services in community projects for prevention of obesity and tobacco use prevention

#### Note 7: ADMINISTRATION

Administrative costs are all of the operating expenses needed for the maintenance of the VFHY. These include expenses of the Board of Trustees, some payroll (including accrued leave liabilities), rents, utilities, insurances, equipment (repairs, maintenance, rental and purchases), furniture and supplies, postage and delivery, printing, state vehicle fees, some employee travel and trainings. In addition, it includes expenses incurred for professional services provided by private industries such as temporary employees, marketing services, IT service, and website design and maintenance, etc.

#### Note 8: PROGRAM and OBESITY

Program and Obesity Expenses include funding provided to local organizations to conduct obesity and tobacco use prevention programs with youth and expenses associated with administering the programs.

#### Note 9: RESEARCH AND EVALUATION

These expenses include the contracts and agreements with higher education universities in Virginia focused on the research, evaluation of tobacco use prevention programs, evaluation of the statewide marketing campaign as well as a statewide Youth Tobacco Survey.

#### Note 10: INTER-AGENCY EXPENSE

These include expenses incurred as a result of Memorandums of Understanding with agencies such as the Department of Health for fiscal and payroll support.

#### Note 11: TRANSFERS

Transfers out are to reimburse the General Fund for expenses related to the Office of the Attorney General, Department of Taxation, DGS, DOA, and DHRM. Additionally, this year included the transfer of approximately \$4 million for funds released through escrow per legislation.