

VCEDA

Virginia Coalfield Economic Development Authority



electronic information technology • energy • education

2009 ANNUAL REPORT

Chairman's Letter

The Honorable Robert F. McDonnell
Governor of Virginia
Patrick Henry Building, 3rd Floor
1111 East Broad Street
Richmond, Virginia 23219



Jay Rife
Chairman

Dear Governor McDonnell,

We are pleased to submit to you and the General Assembly the 2009 Annual Report of the Virginia Coalfield Economic Development Authority.

In 2009, VCEDA approved two loans and four grants, totaling \$8.8 million. These projects are expected to create 313 new jobs and help bring nearly \$14 million in investment to the region. Highlights of the year include the groundbreaking of the Bluestone Regional Business & Technology Center in Tazewell County; the ribbon-cutting for Sykes Enterprises, the first occupant in the Southern Gap Business Park in Buchanan County; the groundbreaking for the Appalachia America Energy Research Center in Wise County; expansions at CGI in Russell County and Mountain Forest Products in Dickenson County; the groundbreaking for a new Town Center in Grundy; and the location of a new information technology business, InTouch Sales, in Tazewell County. Other projects include the ribbon cutting for new lakeside cabins at Breaks Interstate Park, completion of the Crooked Road Tech Center in the Scott County Regional Business and Technology Park, and a ribbon cutting for a new 60,000 sq. ft. shell building in Constitutional Oaks Business Park in Lee County.

We look forward to working with you to further diversify the economy and to bring jobs to the coalfield region of the Commonwealth. We thank the Governor's Office and the General Assembly for your leadership and support.

Sincerely,

Jay Rife, Chairman



Mission of the Virginia Coalfield Economic Development Authority

The primary purpose of the Authority is to enhance the economic base for the seven county and one city coalfield region of Virginia (Lee, Wise, Scott, Buchanan, Russell, Tazewell and Dickenson Counties and the City of Norton). The Authority shall provide financial support for the purchase of real estate, construction of buildings for sale or lease, installation of utilities, direct loans and grants to private for-profit basic employers; may apply for matching funds from the state or federal government, or the private sector; and any other support improvements it deems necessary.

Code of VA Title 15.2 Chapter 60, Section 15.2-6002



VCEDA awards a \$1.5 million grant to the Tazewell County IDA to be used toward development costs for the Bluestone Regional Business and Technology Center located along U.S. 460 near Bluefield. In photo, from left, are Jim Spencer, Tazewell County Administrator; Jim Boyd, Chairman of the Tazewell County IDA; Jay Rife, VCEDA Chairman; Jonathan Belcher, VCEDA Executive Director; Donnie Rife, VCEDA board member; and Joe Gillespie, Community Marketing Specialist for VEDP and VCEDA board member. VCEDA also approved a \$491,900 increase in the Bluestone grant at its December board meeting.

VCEDA Chairman Jay Rife, fourth from left, joins Chuck Sykes, CEO of Sykes Enterprises (left of Rife), Del. Will Morefield (right of Rife) and other Buchanan County and company officials for the official grand opening of the Sykes Enterprises customer contact facility at Southern Gap Business Park in Buchanan County. Sykes employs more than 250 and is the first business to locate in the 3,000-acre park built on reclaimed surface mined land.



VCEDA Executive Director Jonathan Belcher, left, joins the Wise County IDA and the Virginia Tobacco Commission in breaking ground for the new Appalachia America Energy Research Center in the Lonesome Pine Business & Technology Park. Others in the photo include, from left, Sen. William Wampler; Del. Bud Phillips; Wise County IDA Chairman Kenny Gilley; Wise County Economic Development Director Carl Snodgrass (behind Gilley); Tim Hopkins, CEO, NanoChemonics; Carmine DiNitto, Executive Vice President, NanoChemonics; Wise County Administrator Shannon Scott; Del. Terry Kilgore; University of Virginia's College at Wise Chancellor David Prior; and Robby Robbins, Wise County Board of Supervisors.





VCEDA awards a \$250,000 loan to Mountain Forest Products, LLC to expand its Dickenson County wood products business. From left are Jonathan Belcher, VCEDA Executive Director, Jay Rife, VCEDA Chairman, and Karl Kindig, Manager of Mountain Forest Products.



VCEDA awards a \$300,000 loan to the Russell County IDA to help software developer CGI expand and add 100 jobs. From left are, Mark Eschle, Vice President, CGI; Jonathan Belcher, VCEDA Executive Director; Jay Rife, VCEDA Chairman; Harry Rutherford, Chairman, Russell County IDA; Donnie Rife, VCEDA board member; Roger Sword (back), Russell County IDA; and Jim Gillespie, Russell County Administrator.



VCEDA joins Congressman Rick Boucher, the Town of Grundy and regional officials for the groundbreaking of the town's new retail center to be the anchor of a 13-acre redevelopment site. VCEDA approved a \$2 million grant to the IDA of the Town of Grundy to be used for the construction of a 500-car parking facility, which will be the base for a major retail center to be built on top of the garage. VCEDA also approved up to a \$1 million grant and a \$1.5 million loan to assist with the Grundy redevelopment project in 2000.

Russell County, VCEDA and other regional officials welcome CGI's expansion to the Russell County Governmental Center with a ribbon-cutting ceremony. With the expansion, CGI will add 100 jobs with an average salary of \$51,000 a year, which will bring them to at least 400 jobs total in Lebanon.



Dominion Virginia Power's 585-megawatt Virginia City Hybrid Energy Center project in Wise County has passed the halfway point and remains on schedule. The power station will be fueled by run-of-mine coal, waste coal and biomass in the form of wood chips. More than 1,300 men and women are employed with the construction project as of Dec. 1. Construction employment is expected to peak at around 1,500. Work on the \$1.8 billion station began in the summer of 2008, and commercial operation is set to begin in mid-2012.



Executive Director's Report



Jonathan Belcher
Executive Director

This year was in many respects a noteworthy year for the Virginia coalfield region, which VCEDA markets as "Virginia's e-Region." With the national economic conditions, it was a slower year for company location decisions, however, during every month of 2009 the region's average unemployment rate was below the national average. In fact, during the year several localities in the region had unemployment rates near or even below the Virginia state average, also noteworthy for the region. And, a comparison with adjacent counties in other states shows that, in terms of unemployment, Virginia's e-Region has been performing significantly better. Factors helping to benefit the region's economy include a strong energy industry, an increase in construction jobs (particularly at the Dominion Virginia City Hybrid Energy Center), and growth in the information technology jobs sector such as at Northrop Grumman, CGI, and Sykes.

What these statistics also help validate is the wisdom of the creation of VCEDA over 21 years ago when it was realized that the regional economy needed to diversify and was not keeping pace with the rest of the state. A 2007 Virginia Tech study indicates that if VCEDA had not been created, unemployment rates in the region could have exceeded 18 percent by 2006. The existence of a regional organization such as VCEDA to serve as an ambassador for the region and a facilitator to bring resources together, in addition to providing funding for noteworthy projects, has been key to the survival and growth of the region's economy.

Although progress has been made in regional unemployment rates, much work remains to be done to bring more diversified, more highly skilled, and better paying jobs to the region. Regional per capita income rates still lag behind the state average. These are issues on which VCEDA will continue to focus, in accordance with the organization's prime directive of helping to enhance and diversify the region's economy with an emphasis on basic jobs. As we look forward to 2010 and beyond, we stand ready to work on these important issues.

VCEDA closes a \$1 million grant to LENOWISCO, Inc. I, for continued development of high-speed fiber optic broadband lines in Lee, Scott and Wise counties and the City of Norton. In photo, from left, are Bob Adkins, LENOWISCO Treasurer; Jonathan Belcher, VCEDA Executive Director; and Mark Carter, LENOWISCO Chairman. A similar \$1 million grant was awarded to Cumberland Plateau Company in 2008 for Buchanan, Dickenson, Russell and Tazewell counties.



VCEDA and representatives from the Virginia Economic Development Partnership join Lee County officials in the ribbon cutting for the 60,000 sq. ft. shell building in Constitutional Oaks Business Park. In photo, from left, are Skip Skinner, Executive Director, LENOWISCO PDC and VCEDA board member; Tommy Olterman, TVA; Barlow Newman, Lee County IDA; Del. Terry Kilgore; Rick Richardson, VEDP; Carl Bailey, Larry Mosley, Claude Ray, Lee County Board of Supervisors; Betty Grable, Lee County IDA; Jonathan Belcher, VCEDA Executive Director; and Tim Long, Lee County Economic Development Director.



VCEDA staff includes, from left, Jim O'Quinn, Special Projects Coordinator; Marketta Horton, Economic Development Support Specialist; Susan Copeland, Business Development/PR Coordinator; Jonathan Belcher, Executive Director; Jean Jordan, Funds Administrator; and Mitzi White, Secretary.





▶ The new Crooked Road Tech Center in the Scott County Regional Business and Technology Park was completed in 2009 and 22,515 sq. ft. of space is available. In 2003, VCEDA approved an \$830,000 loan to the Scott County Economic Development Authority to assist with the development of the park.

VCEDA converted a 2006 \$3 million loan to the Buchanan County IDA for the Appalachian College of Pharmacy to a grant at its December 17 meeting. At the ceremonial note-shredding, in photo, from left, are Jonathan Belcher, VCEDA Executive Director; Jay Rife, VCEDA Chairman; Michael G. McGlothlin, President of Appalachian College of Pharmacy; and Craig Horn, Executive Director of the Buchanan County IDA.



VCEDA approves a grant of up to \$5,639,999 to the Buchanan County IDA for further development of the 3,000-acre Southern Gap Business Park. The grant is to be used to pay toward costs of road construction, sidewalks, and utilities installations and extensions at the park. At the grant ceremony, in photo are, from left, VCEDA Executive Director Jonathan Belcher and Chairman Jay Rife, seated; standing, Craig Horn, Executive Director of the Buchanan County IDA and Carroll Branham, Chairman of the Buchanan County Board of Supervisors and VCEDA board member.



▶ The Southwestern Virginia Technology Council honors VCEDA for high-tech excellence in economic development at its annual awards gala. Receiving the award for VCEDA are, from left, VCEDA board members Skip Skinner, Joe Gillespie and Sue Ella Boatright-Wells, VCEDA Chairman Jay Rife, and VCEDA Executive Director Jonathan Belcher.



▶ Tazewell County welcomes InTouch Sales, a customer service center that employs 40 in an existing professional building in Richlands. From left, are, Jim Spencer, Tazewell County Administrator; John Absher, Tazewell County Board of Supervisors; Melanie Maggard and Anthony Faulds, InTouch owners; Ken Wysor, Mayor of Richlands; Sen. Phillip Puckett; Tina Grates, Manager; Jonathan Belcher, VCEDA Executive Director; Velma Conner, Richlands Chamber of Commerce; Del. Dan Bowling; and Gwyn Dutton, Office of U.S. Senator Jim Webb.



▶ VCEDA Executive Director Jonathan Belcher, left, and George Cridlin, VCEDA vice chairman, right, present KCG Call Centers President Paul Kavanaugh with a ceremonial VCEDA loan check for an expansion at the Lee County customer service center that expects to employ more than 300 within five years.

2009 Highlights

January 5

VCEDA closes a \$1 million grant to LENOWISCO, Inc. I, a non-profit non-stock corporation of LENOWISCO Planning District Commission, for continued broadband development in Lee, Wise and Scott counties and the City of Norton.

February 2

VCEDA awards a loan of up to \$240,455 to KCG Call Centers, LLC for an expansion at its Lee County facility that will allow the customer service center to increase employment to 300 within five years.

February 18

VCEDA leads a team of 12 economic development allies from the region to the Carolinas Industrial Woodworking Expo in Greensboro, N.C., Feb. 18-20 to feature an exhibit and meet with companies in the Greensboro area which had expressed an interest in learning more about Virginia's e-Region as a business location.

February 25

VCEDA awards up to a \$1.5 million grant to the Tazewell County IDA to be used toward development costs for the planned 680-acre Bluestone Regional Business and Technology Center located along U.S. 460 near Bluefield.

March 10

VCEDA leads a team of 13 economic development allies from the region to man the Virginia's e-Region exhibit booth, meet with interested companies in pre-set appointments and attend AMExpo, the largest advanced manufacturing trade show in the South, March 11-12 in Charlotte, N.C.



March 18

Jim O'Quinn mans an exhibit and represents VCEDA at the Russell County Business Showcase.

March 25

VCEDA joins Lee County officials, VEDP and regional leaders for an official ribbon cutting for the 60,000 sq. ft. shell building in Constitutional Oaks Business Park in western Lee County.

March 27

VCEDA holds a closing ceremony for up to \$2 million in funding to the Wise County

IDA to help construct the Appalachia America Energy Research Center in the Lonesome Pine Business & Technology Park. VCEDA approved up to a \$1,045,000 grant and a \$955,000 loan for the research and development facility with an emphasis on energy-affiliated initiatives.



March 27

VCEDA holds a quarterly meeting of local and regional economic developers at the University of Virginia's College at Wise.

May 8

VCEDA holds a note-shredding ceremony for a \$1.3 million loan converted to a grant for the Kennel Gap water project. VCEDA approved the loan to the Buchanan County IDA in 2003 for the Kennel Gap water project in response to an emergency water shortage and lack of a redundant water source in the county.

May 28

The Southwestern Virginia Technology Council awards VCEDA an award for high-tech excellence in economic development. VCEDA receives the award during the council's annual awards banquet.

June 18

Breaks Interstate Park holds a ribbon-cutting ceremony to open five new lakeside cabins constructed at the park. The project was funded by a \$1.4 million grant from VCEDA.



June 23

The Executive Advisory Board of the Virginia Coalfield Economic Development Authority holds its annual meeting in Lebanon and helps the organization celebrate two decades of progress. "Twenty Years of Economic Transformation and Diversification" is the theme of the meeting.

July 23

VCEDA closes a loan for up to \$300,000 to the Russell County IDA to assist software developer CGI with an expansion that will add 100 new jobs. The IDA will use the loan for costs to equip additional office space for CGI in the Russell County Governmental Center.

August 3

VCEDA conducts a marketing mission in the Minneapolis/St. Paul area August 3-7. Charles Yates meets with 12 companies to promote business opportunities in Virginia's e-Region.



August 6

A groundbreaking is held in Wise for a Virginia Commonwealth University satellite dental clinic. County and regional leaders hope the clinic will lead to the development of a dental school in the region.

August 12

VCEDA closes an up to \$2 million grant to the IDA of the Town of Grundy to be used for the construction of a 500-car parking facility on the town's 13-acre redevelopment site, which will be the base for a major retail center planned to be built on top of the garage.

August 18

VCEDA holds a quarterly meeting of local economic developers at the Advanced Technology and Applications Center (ATAC) in Duffield.

August 24

D.R. Price Engineering & Land Surveying holds a ribbon cutting ceremony for the grand opening of its new offices in a former shell building in Honaker. In the 1990s, VCEDA provided financing to assist with the site and the shell building construction.



September 17

VCEDA attends the Bluefield Coal Show in Bluefield, WV, one of the country's largest mining equipment trade shows.

September 20

A VCEDA team exhibits and meets with interested companies at COVITS (Commonwealth of Virginia's Innovative Technology Symposium) held in Williamsburg September 20-22.

September 21

VCEDA closes a grant for up to \$125,000 to the Buchanan County IDA to help pay towards the cost of obtaining a study on the potential of developing a school of medicine in Buchanan County.

September 21

Congressman Rick Boucher presides over the groundbreaking for the Grundy Town Center redevelopment project. The Grundy redevelopment project is described as the largest public works development in the history of Southwest Virginia.

October 1

VCEDA joins Wise County and other regional officials at the groundbreaking in Lonesome Pine Business & Technology Park for the Appalachia America Energy Research Center.

October 8

VCEDA joins Tazewell County in a groundbreaking for the 680-acre Bluestone Regional Business and Technology Center near Bluefield.



October 14

VCEDA features an exhibit at Tazewell County's Business to Business Showcase.

October 15

VCEDA approves a grant for up to \$5.6 million for further development of the Southern Gap Business Park in Buchanan County and passes a resolution in support of the coal industry in the use of the Nationwide Permit 21 in the Appalachian region. The grant is to be used to pay toward costs of road construction, sidewalks, and utilities installations and extensions at the 3,000-acre park, built on reclaimed surface mined land.

November 5

VCEDA holds a quarterly meeting of local economic developers at the Dickenson Center for Education and Research in Clintwood.

November 7

TeleMed holds a 10th anniversary celebration and a note-burning of the \$335,000 VCEDA loan to the Wise County IDA which was used to acquire and finish out the facility. VCEDA also provided a \$500,000 loan to the IDA to furnish and equip the center. The \$500,000 loan was paid off in 2004, and the \$335,000 loan was paid off in 2009. TeleMed has 75 employees at its call center in Wise.

November 12

The 2009 Small Business Opportunity Procurement Fair and Conference is held at the Southwest Virginia Higher Education Center in Abingdon. VCEDA attends with an exhibit.

November 19

VCEDA closes up to a \$5.6 million grant to the Buchanan County IDA for further development of the Southern Gap Business Park located near Grundy.

December 2

InTouch Sales, a customer service center now with 40 employees, holds a ribbon cutting and grand opening at its new offices in Richlands.

December 9

Sykes Enterprises holds a ribbon cutting and grand opening at its new facility in Southern Gap Business Park in Buchanan County. In 2007, VCEDA approved over \$2.6 million to assist with the project. Sykes currently employs over 250.



December 17

In its last meeting of the year, VCEDA approves a \$491,900 increase in a grant to the Tazewell County IDA to be used to assist with development at the Bluestone Regional Business and Technology Center in Tazewell County. The board also approved a request from the Buchanan County IDA and the Appalachian College of Pharmacy to forgive and convert into a grant the \$3 million loan made by VCEDA

in 2006 to the IDA for the Appalachian College of Pharmacy project. The VCEDA board elects new officers for 2010 with George Cridlin as chairman, Donald Baker as vice chairman, R.S. Lewis as secretary, and Mike Quillen, re-elected as treasurer.

December 18

VCEDA holds a note-shredding ceremony for the \$3 million loan converted to a grant for the Appalachian College of Pharmacy project.

December 18

VCEDA hosts a regional meeting with representatives of the Virginia Economic Development Partnership at the VCEDA office in which current events and future strategies were discussed.



December 29

VCEDA closes a \$250,000 loan to Mountain Forest Products, LLC to expand its Dickenson County wood products business. The project is expected to create up to 13 new jobs.

Marketing Virginia's e-Region

Marketing of Virginia's e-Region was enhanced in 2009 with additional new marketing materials and a host of targeted marketing events and activities. A video entitled "Virginia's e-Region: The Path to Success" was unveiled during the annual meeting of VCEDA's Executive Advisory Board and was added to the e-Region website and to marketing collateral.

Local economic developers joined VCEDA in marketing Virginia's e-Region at the Carolinas Industrial Woodworking Expo held in Greensboro, N.C., in February. In March, the VCEDA-led team exhibited at the AMExpo, the largest advanced manufacturing trade show in the South, held in Charlotte, N.C. During these two events, the teams met in pre-set appointments with individual businesses and site consultants to promote the business opportunities available in Virginia's e-Region. In September, VCEDA attended COVITS (Commonwealth of Virginia's Innovative Technology Symposium) held in Williamsburg, and also the Bluefield Coal Show in Bluefield, WV.

Charles Yates, VCEDA's Senior Economic Development Consultant, met with 12 companies during a Minneapolis/St. Paul marketing mission trip in early August.

VCEDA was a sponsor and exhibitor at the regional legislative reception in Richmond in January.

VCEDA ran full-page advertisements in *Virginia Business* magazine and in the Northern Virginia Technology Council's magazine, *Voice of Technology*. VCEDA's "No place like home" ad was recognized by *Virginia Business* as the best ad of the August 2009 special site selection issue.

The VCEDA website continues to attract 20,000-30,000 hits a month, and VCEDA had 115 inquiries and 17 prospect visits in 2009.



◀ The "No place like home" ad was recognized with an award from *Virginia Business* magazine.



▶ Bob McDonnell, elected in November as Virginia's 71st governor, visits the VCEDA booth at COVITS (Commonwealth of Virginia's Innovative Technology Symposium), held in Williamsburg in September. From left are, Yvonne Rutherford, Jean Jordan, Bob McDonnell, Harry Rutherford and Susan Copeland.



◀ Local economic developers joined VCEDA at the Carolinas Industrial Woodworking Expo in Greensboro, N.C. in February and at AMExpo, the largest advanced manufacturing trade show in the South, in Charlotte, N.C. in March.



2009 New Announcements and Expansions

Announcements:	Type	Jobs	Investment
Grundy Town Center	retail center	200	\$ 12,951,228
InTouch Sales	customer service center	40	30,000
Total		240	\$ 12,981,228
Expansions:			
CGI	software development	100	\$ 500,000
Mountain Forest Products, LLC	wood products	13	500,000
Total		113	\$ 1,000,000
Grand Total		353	\$ 13,981,228

The VCEDA Executive Advisory Board held its annual meeting and celebrated VCEDA's twentieth anniversary on June 23. From left, are, Tommy Hudson, Don Green, George Mason, Dan Smith, Linwood Holton, Anna DeFazio Gadbois, Gerald Baliles, Jay Rife, Jim Martin, Jonathan Belcher, Robert Woltz, Dan Carson, Jeff Anderson, Ford Quillen and Hugh Stallard.

Executive Advisory Board

Twenty Years of Economic Transformation and Diversification

The VCEDA Executive Advisory Board held its annual meeting and helped VCEDA celebrate 20 years of progress on June 23 at the Russell County Conference Center in Lebanon.

Executive Director Jonathan Belcher outlined economic development highlights for the seven county, one city region VCEDA serves, including new announcements, funding activities and business development events. Since 1988, VCEDA has helped bring nearly 12,000 jobs and \$2 billion in announced investments to the region, as well as approved over \$117 million in loan and grant funds for 208 projects throughout the region.

The executive advisory board and other guests numbering around 100 total also viewed a multimedia presentation titled "Virginia's e-Region: The Path to Success," which highlighted the advances made throughout the region during the 20 years since VCEDA was created, and also discussed VCEDA's current marketing strategy of "Virginia's e-Region."

Two former Virginia governors addressed the group and stressed the importance of education as the key to success.

Governor from 1986 to 1990, Gerald Baliles signed the legislation in 1988 creating VCEDA to diversify the economy and help bring jobs to the coalfield region of the Commonwealth. He also was the longest-serving chairman of the VCEDA executive advisory board, a broad-based group of business and government advisors, that was created in 1990.

Former Virginia Governor Linwood Holton (1970-1974), a charter member of the advisory board, recognized the region's educational institutions and their importance to economic development.

The group also heard about the early days of VCEDA from Ford C. Quillen, who, as a delegate from Southwest Virginia, introduced the legislation in the Virginia General Assembly to create VCEDA.



R. Daniel Carson Jr., Chairman

Vice President External Affairs
Appalachian Power Company

Jeff Anderson

Executive Director
Virginia Economic Development
Partnership

Anna DeFazio Gadbois

Vice President
Government Relations & Strategic
Business Development
CGI

Don M. Green

Executive Director
Napoleon Hill Foundation

The Honorable Linwood Holton

McCandlish Holton, PC
Attorneys at Law

Tommy Hudson

President
Virginia Coal Association

Cheryl L. Janey

Vice President Operations
Civil Systems Division
Northrop Grumman Information Systems

Michael D. King

Director
Strategy & Business Development
Northrop Grumman Corporation
IT Sector

James K. Martin

Senior Vice President
Regulation and Integrated Resource
Planning
Dominion Virginia Power

A. George Mason Jr.

Attorney At Law

The Honorable Ford C. Quillen

Circuit Court Judge Retired

Daniel D. Smith

Senior Vice President Energy and
Properties
Norfolk Southern Corporation

Robert W. Woltz Jr.

President
Verizon Virginia, Inc.

Helping VCEDA celebrate its 20th anniversary are, from left, Charles Yates, VCEDA Executive Director from 1989 to 2006; Ford Quillen, who, as a delegate, introduced the legislation in the Virginia General Assembly to create VCEDA; former Virginia Governor Gerald Baliles, who signed the legislation creating VCEDA in 1988; former Virginia Governor Linwood Holton, a charter member of the VCEDA Executive Advisory Board; and Hugh Stallard, former Bell Atlantic executive who was the first chairman of the Executive Advisory Board.



2009 VCEDA Loan and Grant Approvals

Loans			
County	Project	Approved	Amount
Dickenson	Mountain Forest Products, LLC	12/17/2009	\$ 250,000
Russell	Russell County IDA/CGI	5/21/2009	300,000
Total Loans			\$550,000
Grants			
Buchanan	Town of Grundy IDA/Town Redevelopment Parking Facility	3/19/2009	\$ 2,000,000
Buchanan	Buchanan County IDA/School of Medicine Feasibility Study	8/20/2009	125,000
Buchanan	Buchanan County IDA/Southern Gap Business Park	10/15/2009	5,639,999
Tazewell	Tazewell County IDA/Bluestone Regional Business and Technology Center	12/17/2009	491,900
Total Grants			\$ 8,256,899
Total Loans & Grants			\$8,806,899

Virginia Coalfield Economic Development Authority Statement of Cash Receipts & Disbursements

	Cash Receipts			Cash Disbursements		Fund Balance 12/31/09	Uncommitted Available Balance	
	Fund Balance 1/1/2009	Receipts	Interest Earned	Loan Collections	Administrative/ Bus. Dev. Expenses			Project Loans/Grants
Buchanan County	\$ 4,370,692	\$ 3,081,032	\$ 172,287	\$ 55,300	\$ 271,694	\$ 2,779,631	\$ 4,627,986	\$ 1,131,839
Dickenson County	4,468,683	1,180,874	159,954	177,242	97,507	519,699	5,369,547	5,217,047
Lee County	(328,206)	20,700	(18,361)	51,851	19,309	303,042	(596,367)	(616,340)
City of Norton	58,518	-	1,947	2,356	2,200	-	60,621	60,621
Russell County	1,329,672	709,660	55,881	128,085	72,599	300,000	1,850,699	1,850,699
Scott County	40,091	4,457	1,604	14,124	13,668	-	46,608	46,608
Tazewell County	1,544,047	323,562	52,793	282,567	48,213	188,454	1,966,302	1,966,302
Wise County	7,285,849	1,148,251	247,411	301,650	101,083	1,251,510	7,630,568	6,499,530
Undesignated	7,242,185	1,297,416	335,176	114,184	235,958	420,223	8,332,780	4,398,592
Tax Credit	13,345,933	4,361,748	386,903	-	-	3,547	18,091,037	7,091,037
Civil Penalties	22,650	22,277	72	-	-	27,628	17,371	17,371
CFO Funds	3,505,147	-	35,337	-	-	-	3,540,484	3,540,484
TOTALS	\$ 42,885,261	\$ 12,149,977	\$ 1,431,004	\$ 1,127,359	\$ 862,231	\$ 5,793,734	\$ 50,937,636	\$ 31,203,790

INDEPENDENT AUDITOR'S REPORT

The Board of Directors
Virginia Coalfield Economic
Development Authority
Lebanon, Virginia 24266

We have audited the accompanying statement of cash receipts and disbursements of the Virginia Coalfield Economic Development Authority, for the year ended December 31, 2009. This financial statement is the responsibility of the Authority's management. Our responsibility is to express an opinion on the statement based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the statement of cash receipts and disbursements is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the statement of cash receipts and disbursements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the statement of cash receipts and disbursements. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note 1, the Virginia Coalfield Economic Development Authority, prepares its financial statements on the cash basis of accounting which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In our opinion, the statement of cash receipts and disbursements referred to above presents fairly, in all material respects, the cash receipts and disbursements of the Virginia Coalfield Economic Development Authority, for the year ended December 31, 2009, on the cash basis of accounting as described in Note 1.

THROWER, BLANTON & ASSOCIATES, P.C.
Certified Public Accountants
March 5, 2010

NOTE TO FINANCIAL STATEMENTS December 31, 2009

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

Virginia Coalfield Economic Development Authority's policy is to prepare its financial statements on the cash basis of accounting; consequently, certain revenues are recognized when received rather than when earned, and certain expenses and purchases of assets are recognized when cash is disbursed rather than when the obligation is incurred.

Virginia Coalfield Economic Development Authority Board of Directors



In photo from left, are, front, Jonathan Belcher, Executive Director; R. S. Lewis; Jay Rife, Chairman; George Cridlin, Vice Chairman; and Donald Baker, Secretary. Back row, Skip Skinner, Joe Gillespie, Dana Kilgore, Donnie Rife, Robert Raines, Sue Ella Boatright-Wells, Gerald Ramsey, Steve Greer, Carroll Branham and Jim Baldwin. Not pictured are Mike Quillen, Treasurer, and Harry Childress.

Officers

Jay Rife
Chairman

George F. Cridlin
Vice Chairman

Donald Baker
Secretary

Michael J. Quillen
Treasurer

Members

Governor's Appointees

Donald Baker
Sue Ella Boatright-Wells
George F. Cridlin
B. Robert Raines
Jay Rife

Coal Producers

Michael J. Quillen
Alpha Natural Resources

Gerald Ramsey
Consolidation Coal
Company

Harry D. Childress
Dickenson-Russell Coal
Company

Gas Producer

Steve Greer
CNX Gas Company

Virginia Economic Development Partnership

Joe Gillespie

Planning District Commissions

Jim Baldwin
Cumberland Plateau PDC

Glen A. Skinner
LENOWISCO PDC

County Boards of Supervisors

Carroll Branham
Buchanan County

Donnie Rife
Dickenson County

Dana G. Kilgore
Wise County

Virginia Coal Association

R. S. Lewis



