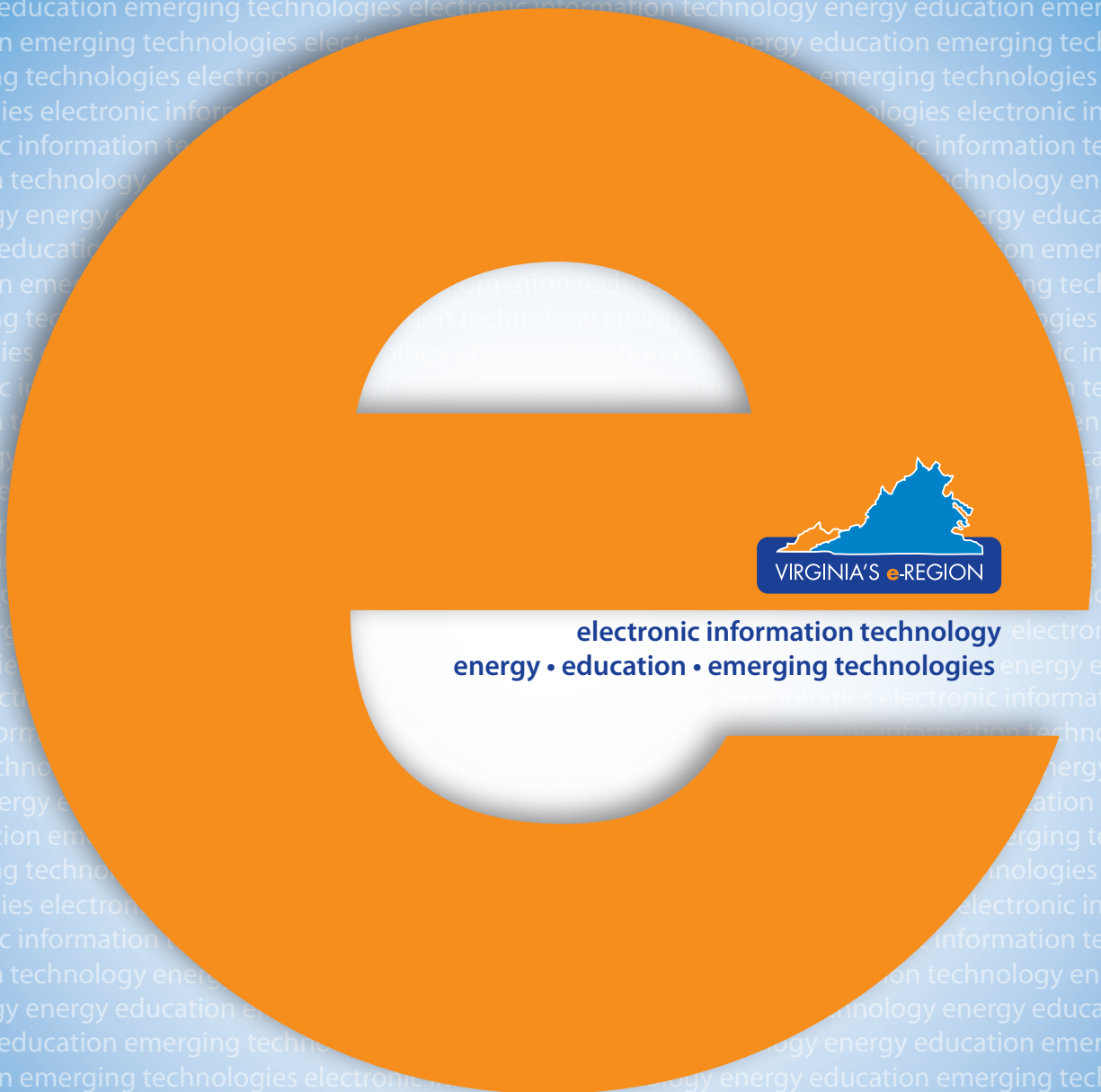


VCEDA

Virginia Coalfield Economic Development Authority



electronic information technology
energy • education • emerging technologies

2012 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



Donald Baker
Chairman

Dear Governor McDonnell,

We are pleased to submit to you and the General Assembly the 2012 Annual Report of the Virginia Coalfield Economic Development Authority.

In 2012, VCEDA approved two loans, one loan increase, and one grant totaling \$2.1 million. Also in 2012, there were five new and existing business job announcements that are expected to create or retain 285 jobs, and help to bring over \$9.3 million in investment in the region. Highlights of the year include the groundbreaking for a new hotel in Russell County, the announcement of plans for a new dental school in Tazewell County, the opening of a new water park at Breaks Interstate Park, and announced expansions by manufacturers Mullican Flooring in Wise County and Pyott-Boone Electronics, Inc. in Tazewell County. In Wise County, VCEDA approved an additional up to \$1 million in funds to assist with the Inn at Wise project, and in Buchanan County, VCEDA converted a \$2,678,550 loan into a grant to assist the Buchanan County IDA on the Sykes IT support center project that employs over 300 at the Southern Gap business park.

VCEDA welcomed several new board members in 2012, and as the organization will celebrate its 25th anniversary in 2013, we look forward to continuing to work with you to further diversify the economy and bring jobs to the coalfield region of the Commonwealth. We thank you and the General Assembly for your leadership and support.

Sincerely,

Donald Baker, 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

A new 54-room Sleep Inn & Suites hotel is near completion in downtown Clintwood in Dickenson County. In 2011, VCEDA approved up to a \$3.625 million loan to the Dickenson County IDA to assist with the project. The hotel is projected to create approximately 15 jobs and be a great asset to economic development in the county.



Breaks Interstate Park opens its new aquatics facility "Splash in the Park" in June. VCEDA approved up to \$1 million in grant funds in 2011 to assist with the development of an aquatics facility at the Breaks Interstate Park with a potential 66-90 job economic impact. The 4,000-square-foot, beach entry pool includes a current channel, four waterslides, and many other features.



VCEDA holds a grant closing ceremony Feb. 27 for the up to \$500,000 grant to the Russell County IDA to assist with the development of additional sites in the Cumberland Plateau Regional Industrial Park in Lebanon. In photo, from left, are Jonathan Belcher, executive director/general counsel, VCEDA; Donald Baker, chairman, VCEDA; Harry Rutherford, chairman, Russell County IDA; Sam Whited, secretary, Russell County IDA; and Ben Chafin, legal counsel, Russell County IDA.



Pyott-Boone Electronics announces on March 15 an expansion at its Tazewell County facility and its plans to create 80 new jobs over the next 36 months. VCEDA approved up to a \$250,000 grant at its Dec. 15, 2011 board meeting to be used to assist with the expansion project. VCEDA has previously assisted with other expansions at the facility. In photo, from left, Stuart Champion de Crespigny, CEO of Pyott-Boone Electronics; Senator Phillip Puckett; Jonathan Belcher, VCEDA executive director/general counsel; Joe Gillespie, Virginia Economic Development Partnership, and VCEDA board member; Monty Rife, chairman, Tazewell County IDA; and Jim Spencer, Tazewell County administrator.



The Russell County IDA holds a groundbreaking ceremony Aug. 31 for a new 56-room Holiday Inn Express to be built in the Cumberland Plateau Regional Industrial Park in Lebanon. The project is being funded by up to a \$2.8 million loan from VCEDA, up to a \$1 million loan from the Virginia Small Business Financing Authority, up to a \$250,000 loan from Cumberland Plateau Planning District Commission, in addition to funding from the developer. The hotel will be owned by the Russell County IDA and lease-purchased to Lebanon Inn, LLC. The project is expected to create 100 construction jobs in addition to the jobs the hotel will create.



Mullican Flooring announces on Aug. 31 a \$3 million investment to expand its facility in Wise County located in the Blackwood Industrial Park near Norton. The company announces plans to hire 28 new employees with the expansion to meet anticipated demand and provide an additional 400,000 board feet of kiln capacity, a 20 percent increase in production. Assisting with the project were VCEDA, the Wise County IDA, and the Virginia Department of Business Assistance, and the Virginia Tobacco Commission approved a \$65,000 grant to assist with the expansion. In photo, from left: Kenny Gilley, Wise County IDA chairman; Neil Poland, president, Mullican Flooring; Delegate Terry Kilgore; Senator Charles W. Carrico Sr.; Dana Kilgore, Wise County Board of Supervisors and VCEDA board member; Chris Kommes and Jim Myers, Mullican Flooring employees.



Dominion Virginia Power placed the Virginia City Hybrid Energy Center in Southwest Virginia into commercial operation in July and holds a dedication ceremony and ribbon-cutting on September 27 for the new facility with Governor Bob McDonnell and numerous other special guests attending. The \$1.8-billion circulating fluidized bed (CFB) project uses coal, waste coal and biomass to generate 585 megawatts. The project employed over 2,300 construction workers at its peak, and will have an 84 person permanent operations team.

Executive Director's Report



Jonathan Belcher
Executive Director/
General Counsel

2012 was another active year for the Virginia Coalfield Economic Development Authority (VCEDA). We saw a good number of business prospects and inquiries, and there were several announcements in the region during the year, including expansion announcements by two manufacturing companies,

the announcement of a new planned dental school, a groundbreaking on a new hotel, and a ribbon-cutting on the new Virginia City Hybrid Energy Center.

VCEDA focused on a number of business development events and activities throughout the year, in order to promote the region as a great location for business. These activities included attending the National Farm Machinery Show, the Mid-America Trucking Show, the East Coast Sawmill and Logging Equipment Exposition, the Governor's Conference on Energy, and other events. VCEDA featured the Virginia's e-Region exhibit booth at several events and was joined by local economic development and county officials from the region in helping to promote the area and discuss the advantages of doing business here.

A new aquatics facility opened at the Breaks Interstate Park, for which VCEDA approved up to \$1 million in grant funds in 2011. In August, VCEDA approved converting into a grant a \$300,000 loan approved to the Russell County IDA in 2009 concerning an expansion project by CGI. In October, VCEDA approved an additional up to \$1 million to assist with the Inn at Wise project. Also in October, VCEDA approved up to a \$581,000 loan to assist with a pending manufacturing expansion project. VCEDA also approved up to \$54,299 in additional grant funds in December for projects at the Breaks Interstate Park. There were a number of other requests related to existing loans and grants approved by the VCEDA board during the year.

Finally, VCEDA welcomed several new board members in 2012. As the organization approaches its 25th anniversary in 2013, the Virginia Coalfield Economic Development Authority remains committed to the economic development and diversification of the region.



Staff includes Jonathan Belcher, Executive Director/General Counsel, seated, and standing, from left, Mitzi White, Office Manager; Marketta Horton, Economic Development Specialist; Susan Copeland, Business Development/PR Coordinator; and Jean Jordan, Funds Administrator.

VCEDA attends and has an exhibit booth at the third annual Governor's Conference on Energy Oct. 2-4 at the Richmond Convention Center. County officials join VCEDA in manning the booth. More than 550 registered for the conference, which had approximately 50 exhibitors. In photo, from left, are Shannon Scott, Wise County; Marketta Horton, VCEDA; Susan Copeland, VCEDA; Harry Rutherford, Russell County; and Carl Snodgrass, Wise County.



Martin Briley, President & CEO of the Virginia Economic Development Partnership, and several VEDP staff members join Lee County and other officials on Aug. 2 at the Lee County Airport terminal dedication ceremony and an open house at the Constitutional Oaks shell building. In the photo, from left, front row, John Mazza Jr., chairman, Virginia Aviation Board; Katherine Goodwin, VEDP; Tracy Tynan, VEDP; Delegate Terry Kilgore; Michelle Poe, VEDP; Martin Briley, president & CEO, VEDP; Jonathan Belcher, VCEDA executive director/general counsel; and Joe Gillespie, VEDP, and VCEDA board member. Back row, Randall Burdette, director, Virginia Department of Aviation; Senator Charles W. Carrico Sr.; Warren Hammer, VEDP; Vince Barnett, VEDP; John Elink-Schuurman, VEDP; Michael James, Lee County economic development director; and Keith Boswell, VEDP.



VCEDA leads a team to the East Coast Sawmill and Logging Equipment Exposition in Richmond, VA May 17-18. In addition to manning the Virginia's e-Region exhibit booth, the team walks the exhibit floor and meets with 43 companies in pre-arranged meetings to promote the business opportunities in our region. In photo, from left, are Margie Douglass, Tazewell County; Jean Jordan, VCEDA; Charlotte Mullins, Dickenson County; Yvonne and Harry Rutherford, Russell County; Carl Snodgrass, Wise County; and Donnie Rife, Dickenson County and VCEDA board member.



VCEDA leads a team of economic developers from the region to Louisville, KY, Feb. 15-16, to the National Farm Machinery Show. This event is touted as the premier agricultural exposition in the nation with approximately 1.2 million square feet of indoor exhibit space, over 300,000 attendees and more than 850 exhibitors. The Virginia's e-Region team walked the exhibit floor and met with 17 companies in pre-arranged meetings. In photo, from left, Carl Snodgrass, Wise County; Jonathan Belcher, VCEDA executive director/general counsel; Yvonne and Harry Rutherford, Russell County; Joe Gillespie, Virginia Economic Development Partnership, and VCEDA board member; Charlotte Mullins, Dickenson County; and Donnie Rife, Dickenson County and VCEDA board member.



Tazewell County Administrator Jim Spencer points out the location for a proposed dental school which would be the first tenant in Bluestone Regional Business & Technology Park in Tazewell County. A memorandum of understanding between Bluefield College and Tazewell County was announced September 14 to create a dental school. Bluefield College President Dr. David Olive said the plan is to open in the fall of 2015. Olive said the school will address the growing shortage of dentists and dental care professionals in Southwest Virginia and central Appalachia, and in addition to offering the doctor of dental medicine degree, the college will provide training in dental hygiene and therapy.

2012 Highlights



January 26

VCEDA is a sponsor and exhibitor at the annual coalfield regional legislative reception in Richmond, VA, with more than 400 guests, including Governor Bob McDonnell who spoke at the event.

February 15-16

VCEDA leads a team of economic developers from the region at the National Farm Machinery Show in Louisville, KY, which had over 850 exhibitors. The team walks the exhibit floor and meets with 17 companies in pre-arranged meetings.

February 22

VCEDA participates in a ceremony held by the Dickenson County IDA for its portion of up to \$1 million in grant funds approved by VCEDA to the Dickenson and Buchanan County IDAs to assist with the development of an aquatics facility at the Breaks Interstate Park, which opened in 2012. On March 13, VCEDA presents a ceremonial check to the Buchanan County IDA for its portion of this grant.

February 27

VCEDA closes up to a \$500,000 grant to the Russell County IDA to assist with the development of new sites at the Cumberland Plateau Regional Industrial Park in Lebanon.

March 1

VCEDA exhibits at the Wise County Business-to-Business Showcase held at Mountain Empire Community College.



March 14

VCEDA hosts a meeting of local and regional economic developers at the Southwest Virginia Higher Education Center, Abingdon, VA. Special guest is Mary Rae Carter, Virginia Deputy Secretary of Commerce and Trade for Rural Economic Development. A meeting to learn more about the Commonwealth Center for Advanced Manufacturing (CCAM) was held prior to this meeting.

March 15

Pyott-Boone Electronics, Inc. announces plans to add 80 new jobs as part of an expansion of its Tazewell County business operation. VCEDA approved an up to \$250,000 grant to the company to assist on the project.

March 20

In its first meeting of the year, the VCEDA board approves a request from the Dickenson County IDA for partial payment forgiveness in 2012 on the \$1,765,000 loan made by VCEDA to the IDA on the Dickenson hospital project. VCEDA also approves a request from the Dickenson County IDA to extend the maturity dates on two loans remaining on the information technology building located in the Dickenson County Technology Park. VCEDA also approves other requests for the Russell County IDA on the Lebanon Holiday Inn Express project, for the Tazewell County IDA on the Bluestone Regional Business and Technology Center, and for Holston Medical Group, P.C. and the Historic Crab Orchard Museum and Pioneer Park, Inc.

March 22-23

VCEDA leads a team of economic developers from the region at the Mid-America Trucking Show held in Louisville, KY, which had over 1,000 exhibitors. The team walks the exhibit floor and meets with 29 companies in pre-arranged meetings.

March 23

VCEDA attends the Virginia Economic Developers Association spring meeting and Virginia Economic Development Partnership regional directors meeting held in Williamsburg, VA.

April 14-16

VCEDA attends and exhibits at the Southwestern Virginia Technology Council Energy Techno Expo held at the Southwest Virginia Higher Education Center in Abingdon. Aneesh Chopra, former Chief Technology Officer of the United States, is keynote speaker at the event.

May 8

VCEDA hosts a meeting of local and regional economic developers at the VCEDA office.

May 16

VCEDA exhibits at the Russell County Business Showcase.

May 17-18

VCEDA and a team of local economic developers from the region attend and exhibit at the East Coast Sawmill and Logging Equipment Exposition in Richmond, VA. The team also walks the exhibit floor and meets with 43 companies in pre-arranged meetings.

June 27

The VCEDA Executive Advisory Board holds its annual meeting in Lebanon. Presentations include a report from Dr. Chris Chmura on the economic impact of VCEDA and the coal industry, and a keynote speech from Martin Kent, Chief of Staff for Governor Bob McDonnell.

June 29

The VCEDA board holds its second meeting of the year at the VCEDA office in Lebanon.

July 17

VCEDA participates in the Cumberland Plateau Planning District Commission Comprehensive Economic Development Strategy (CEDS) meeting.

August 2

The President and CEO and a team from the Virginia Economic Development Partnership tour the PDC 1 area of the region and attend an event at the Lee County Airport and an open house at the Constitutional Oaks Shell Building. VCEDA assisted with and participated in the tour.



August 28

The VCEDA board meets and new board members are recognized: Ross Jenkins from Scott County, Ron McCall from the City of Norton, Stacy Estep Munsey from Lee County, and Joe Gary Street from Buchanan County, all appointed by Governor Bob McDonnell, and Donald Ratliff appointed by Dickenson-Russell Coal Company, LLC. Gerald Ramsey, representing Consolidation Coal Company on the board, is elected Secretary. The VCEDA board approves a request from the Russell County IDA to forgive and convert into a grant the outstanding balance on the \$300,000 loan approved by VCEDA to the IDA in 2009 for an expansion project by CGI. The board also approves documents to help move the Lebanon Holiday Inn Express project forward, and approves up to a \$500,000 loan to the Wise County IDA for the Appalachia America Energy Research Center at the Lonesome Pine Regional Business and Technology Park.

August 31

Mullican Flooring announces that it will invest \$3 million and add 28 new jobs in expanding its production facility at the Blackwood Industrial Park in Wise County.

A groundbreaking ceremony is held on a new 56-room Holiday Inn Express hotel to be constructed in Lebanon. The project is being funded from several different sources, including up to a \$2.8 million loan approved by VCEDA to the Russell County IDA.

September 14

Tazewell County and Bluefield College announce plans to develop a new dental school at the Bluestone Regional Business and Technology Park.

September 25

VCEDA holds a quarterly meeting of local and regional economic developers at the VCEDA office. Special guest is Jeremy Satterfield with Mid-Atlantic Broadband, who spoke to the group about the GigaPark initiative.

September 27

A ribbon-cutting ceremony is held for the Dominion Virginia City Hybrid Energy Center in Wise County.



October 2-4

VCEDA attends and exhibits at the third annual Governor's Conference on Energy in Richmond, VA. County officials from the region join VCEDA in manning the booth.

October 12

VCEDA exhibits at the first Energy Expo held at the Dickenson Center for Education and Research in Clintwood.

October 18

VCEDA holds its fourth board meeting of the year and approves up to a \$1 million loan increase requested by the Wise County IDA for the Inn at Wise project, and up to a \$581,000 loan to Scott County manufacturer VFP, Inc. The board also approved a request from the Buchanan County IDA concerning the Appalachian College of Optometry project, and a grant extension request from the Historic Crab Orchard Museum and Pioneer Park, Inc. in Tazewell County.

October 25

VCEDA exhibits at the Southwestern Virginia Technology Council's 2012 annual awards banquet held at the Southwest Virginia Higher Education Center. Keynote speaker is James S. Cheng, Virginia Secretary of Commerce and Trade.

October 26

VCEDA attends and exhibits at the EAC Fall Employer Conference held at Mountain Empire Community College.

October 26-28

VCEDA attends and helps sponsor the 2012 ACCCE Coal/Rail/Power tour of the region.

November 2

VCEDA exhibits at the Tazewell County Business-to-Business Showcase held at Southwest Virginia Community College.



November 20

VCEDA attends a meeting of the Virginia Economic Development Partnership Existing Business group at Forest, VA.

December 5

VCEDA hosts a meeting of local and regional economic developers at the VCEDA office. Special guest is John Smolak, Director, Economic & Business Development, Appalachian Power Company.

December 6

VCEDA holds its last board meeting of the year and approves up to a \$54,299 grant to the Breaks Interstate Park Commission to assist with equipment and fiber optics. The board also approves a request from the Buchanan County IDA to forgive and convert into a grant the outstanding balance on the \$2,678,550 loan approved by VCEDA to the IDA in 2007 to assist with the Sykes information technology support center project. The board also approved requests from the Russell County IDA on the AT&T customer care center project and from VFP, Inc. Officers elected for 2013 include: Donald Baker, Chairman; Stacy Estep Munsey, Vice Chairman; Mike Quillen, Treasurer; and Joe Gary Street, Secretary.

Marketing Virginia's e-Region

The Virginia Coalfield Economic Development Authority experienced another active year in business development in 2012, with more than a 100 percent increase over the previous year in the number of inquiries about the region's opportunities. Over 220 inquiries were logged and more than 20 prospect visits were held. VCEDA continued its active existing business program with more than 25 visits made to existing businesses within the region during 2012.

During the year VCEDA continued its approach to marketing Virginia's e-Region as a great on-shore business location with a focus on electronic information technology, energy, education, and emerging technologies. Marketing efforts included development of a new marketing focus on manufacturing, introduction of a new video on Virginia's e-Region, attendance at several trade shows and conferences, a direct mail campaign, and a targeted lead generation program.

VCEDA continues to use a team approach that includes local economic developers to promote Virginia's e-Region. Trade shows and conferences attended by the team included: the National Farm Machinery Show in Louisville, KY, in February; the Mid-America Trucking Show in Louisville in March; East Coast Sawmill and Logging Equipment Exposition in Richmond, VA, in May; and the Governor's Conference on Energy in Richmond in October.

VCEDA was a sponsor and attended the annual Coalfield Regional Legislative Reception in Richmond in January. Other activities included: a meeting with local economic developers about the Commonwealth Center for Advanced Manufacturing in March; the Virginia Economic Developers Association spring conference/ Virginia Economic Development Partnership regional directors meeting in March; the Southwestern Virginia Technology Council's Energy Techno Expo in April; the Russell County Business Showcase in May; VEDP tour of Lee, Scott, and Wise counties in August; Dickenson County Energy Expo in October; Southwestern Virginia Technology Council annual awards banquet in October; the EAC Fall Employer Conference in October; the 2012 Coal/Rail/Power Tour in October; Tazewell County Business to Business Showcase in November; and the VEDP existing business group meeting in November.

2012 New Announcements and Expansions

Announcements:	Jobs	Investment
Thistle Foundry & Machine Co.	15	N/A
Lebanon Inn, LLC	12	\$4,550,000
Total:	27	\$4,550,000
Expansions:		
First Community Bank	70	\$2,600,000
Pyott-Boone Electronics, Inc.	160*	\$1,000,000
Mullican Flooring	28	\$1,200,000
Total:	258	\$4,800,000
Grand Total:	285	\$9,350,000

*Includes retained jobs



VCEDA created a campaign focusing on opportunities for manufacturing in Virginia's e-Region. A special logo, Make it in the USA. Make it in Virginia's e-Region, is being used as the central graphic element of the push for locating manufacturing facilities in the region.



VCEDA leads a team to the Mid-America Trucking Show in Louisville, KY March 22-23. The team walks the exhibit floor of the show, which had more than 1,000 exhibitors, and meets with 29 companies in pre-arranged meetings to discuss the advantages of doing business in our region. In photo, from left, are Harry Rutherford, Russell County; Charlotte Mullins, Dickenson County; Jean Jordan, VCEDA; Yvonne Rutherford, Russell County; Carl Snodgrass, Wise County; and John Kilgore, Scott County.



VCEDA introduced a new video in 2012 on the advantages of operating a business in Virginia's e-Region. The video is available for viewing on the VCEDA website.

In photo, from left, at the VCEDA Executive Advisory Board June 27 annual meeting: Dan Smith, Vice Chairman of the advisory board; former Governor Linwood Holton; Tommy Hudson, Chairman of the advisory board; Jim Martin; Mike King; Mark Dempsey; Mary Rae Carter, Virginia Deputy Secretary of Commerce and Trade for Rural Economic Development; Ford Quillen; Jay Rife, member VCEDA Board of Directors; Martin Kent, Chief of Staff of Governor Bob McDonnell's office; Don Green; and Jonathan Belcher, VCEDA Executive Director/General Counsel.



Tommy Hudson, Chairman

President
Virginia Coal Association

Daniel D. Smith, Vice Chairman

Senior Vice President Energy and Properties
Norfolk Southern Corporation

Mark E. Dempsey

Vice President External Affairs
Appalachian Power Company

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

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

Energy Consultant

A. George Mason Jr.

Attorney at Law

The Honorable Ford C. Quillen

Circuit Court Judge Retired

Executive Advisory Board

The importance of working together and the economic impact the Virginia Coalfield Economic Development Authority has had on the region were the main topics discussed during the June 27 annual meeting of the Executive Advisory Board of the Virginia Coalfield Economic Development Authority.

Tommy Hudson, chairman of the Executive Advisory Board, and the president of the Virginia Coal Association, told the group of state leaders and business executives that the coal industry is facing some of its toughest challenges in history, and "the need has never been greater to work together to continue economic growth in the region." He also said it is important for others to know what an impact an organization like VCEDA has had and continues to contribute to the seven county, one city coalfield region of the state.

The total annual economic impact of VCEDA in Southwest Virginia is estimated to be \$4.4 billion that supported 27,787 jobs in 2011, according to Dr. Christine Chmura, president of Chmura Economics & Analytics, who presented the findings of a study requested by the Virginia Coal Association on the economic impact of the coal industry and VCEDA in Virginia.

According to Dr. Chmura, VCEDA has made strong contributions to diversifying and growing the VCEDA region's economy, and also has helped reduce the unemployment rate of the region. Dr. Chmura also said the total annual economic impact of VCEDA in Virginia is estimated to be \$5.5 billion that supported 34,987 jobs in the state in 2011.

Keynote speaker Martin Kent, Chief of Staff to Governor Bob McDonnell, spoke to the group about the "e's" of Virginia's e-Region, which emphasizes VCEDA's targeted focus on electronic information technology, energy, education, and emerging technologies. Kent said Governor McDonnell sees Virginia as an energy leader, and the growing interest in the governor's annual energy conference is further proof that others are watching Virginia's energy dominance as a model.

Another special guest at the meeting was Mary Rae Carter, Virginia's Deputy Secretary of Commerce and Trade for Rural Economic Development, who spoke of VCEDA as a model for regional economic development.

VCEDA Executive Director/General Counsel Jonathan Belcher also gave an update on economic development activities in the region, noting that 2011 was a very active year with 56 prospect visits and \$9.2 million in new approved VCEDA funding.

Members of the Executive Advisory Board also participated in a roundtable discussion giving updates on the industries they represent.



The VCEDA Executive Advisory Board meeting included special guests, Martin Kent, Chief of Staff to Governor Bob McDonnell, Mary Rae Carter, Virginia's Deputy Secretary of Commerce and Trade for Rural Economic Development, and Dr. Christine Chmura, President of Chmura Economics & Analytics.

2012 VCEDA Loan and Grant Approvals

Loans			
County	Project	Approved	Amount
Scott	VFP, Inc.	10/18/2012	\$ 581,000
Wise	IDA/Appalachia America Energy Research Center	8/28/2012	\$ 500,000
Wise	IDA/Inn at Wise	10/18/2012	\$ 1,000,000
Total Loans			\$ 2,081,000

Grants			
County	Project	Approved	Amount
Dickenson	Breaks Interstate Park Commission	12/6/2012	\$ 54,299
Total Grants			\$ 54,299
Total Loans & Grants			\$ 2,135,299

Virginia Coalfield Economic Development Authority Statement of Cash Receipts & Disbursements

	Fund Balance 1/1/2012	Cash Receipts			Cash Disbursements		Fund Balance 12/31/2012	Uncommitted Available Balance
		Receipts	Interest Earned	Loans Collections	Administrative & Business Dev. Expenses	Project Loans & Grants		
Buchanan County	\$ 8,878,698	\$ 3,089,738	\$ 33,923	\$ 120	\$ 225,061	\$ 500,000	\$ 11,277,418	\$ 5,677,418
Dickenson County	8,501,935	1,120,564	27,463	220,301	76,834	2,039,558	7,753,871	7,469,140
Lee County	(361,710)	60,463	(1,035)	31,000	6,660	-	(277,942)	(277,942)
City of Norton	60,649	-	204	-	-	-	60,853	60,853
Russell County	3,099,661	426,663	11,145	-	33,159	10,339	3,493,971	2,497,160
Scott County	60,263	1,325	205	-	104	-	61,689	61,689
Tazewell County	3,555,526	473,755	13,068	234,155	25,731	-	4,250,773	4,250,773
Wise County	9,646,324	1,120,909	34,925	444,263	81,064	30,074	11,135,283	9,023,381
Undesignated	10,328,529	640,745	34,800	109,689	250,090	363,165	10,500,508	6,653,814
Tax Credit	21,656,193	1,606,017	99,041	-	-	2,900,714	20,460,537	7,552,428
Civil Penalties	21,307	50,820	128	-	-	-	72,255	17,956
CFO Funds	3,478,985	-	5,720	-	-	1,557,962	1,926,743	14,566
TOTALS	\$ 68,926,360	\$ 8,590,999	\$ 259,587	\$1,039,528	\$ 698,703	\$ 7,401,812	\$ 70,715,959	\$ 43,001,236

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, 2012. 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, 2012, on the cash basis of accounting as described in Note 1.

THROWER, BLANTON & ASSOCIATES, P.C.
Certified Public Accountants
February 15, 2013

NOTE TO FINANCIAL STATEMENTS

December 31, 2012

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



The VCEDA Board of Directors, in photo, from left, front: Joe Gillespie; Gerald Ramsey, secretary; Donald Baker, chairman; Mike Quillen, treasurer; and Jonathan Belcher, VCEDA executive director/general counsel. 2nd row, Joe Gary Street, Carroll Branham, Dana Kilgore, Stacy Estep Munsey, Donald Ratliff and Ross Jenkins. Back row, J.P. Richardson, Steve Greer and Donnie Rife. Not pictured are Jim Baldwin, Ron McCall, and Glen A. Skinner.

Officers

Donald Baker
Chairman

Gerald Ramsey
Secretary

Michael J. Quillen
Treasurer

Members

Governor's Appointees

Donald Baker
Ross C. Jenkins
Ron D. McCall
Stacy Estep Munsey
Joe Gary Street

Coal Producers

Michael J. Quillen
Paramont Coal Company

Gerald Ramsey
Consolidation Coal
Company

Donald Ratliff
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

J.P. Richardson





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