

VCEEDA

VIRGINIA COALFIELD ECONOMIC DEVELOPMENT AUTHORITY



2013 ANNUAL REPORT & 25TH ANNIVERSARY YEAR

CHAIRMAN'S LETTER

The Honorable Terry McAuliffe
Governor of Virginia
Patrick Henry Building, 3rd Floor
1111 East Broad Street
Richmond, Virginia 23219



Donald Baker
Chairman

Dear Governor McAuliffe,

We are pleased to submit to you and the General Assembly the 2013 Annual Report of the Virginia Coalfield Economic Development Authority (VCEDA). This is our 25th anniversary year, and this annual report also features highlights of the economic development progress in the region since VCEDA was created in 1988. This includes the announcement of nearly 20,000 jobs, and over \$157 million in funding approved from 1988 to 2013 for 244 projects throughout the seven-county and one-city region served by VCEDA.

In 2013, VCEDA approved and earmarked more than \$23 million in new loans and grants, reported five new projects and four expansions involving more than 1,000 new projected jobs and more than \$25 million in projected investment. Highlights of the year include funding approvals on the dental school under development in Tazewell County and the Spearhead Trails project that combined are projected to provide more than 470 direct and indirect jobs. Other highlights include the historic Inn at Wise project in Wise County with \$2.2 million in approved funding from VCEDA. New projects announced in 2013 included Elite Apparel, LLC in Lee County and Steel Fab in Russell County. Four expansions were reported this year including a \$13.3 million expansion at Tempur-Sealy in Scott County, growth at the Virginia Employment Commission's customer service center in Buchanan County, a \$3.5 million expansion project at VFP, Inc. in Scott County, as well as an expansion project at Pemco Corporation in Tazewell County.

We look forward to continuing to work 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 as the role of VCEDA continues to be very important to the region.

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

VCEDA closes an up to \$1.5 million loan to the Wise County IDA for the Inn at Wise on November 15. VCEDA has approved up to \$2.2 million in funding for the inn which is projected to create up to 40 new jobs. In photo, from left, are Carl Snodgrass, economic development director for Wise County; Kenny Gilley, chairman of the Wise County IDA; Donald Baker, VCEDA chairman; and Jonathan Belcher, VCEDA executive director/general counsel.



VCEDA closes a loan on October 4 for up to \$581,000 to VFP, Inc. to help the company expand its facilities at Duffield in Scott County. VFP makes communication shelters, and the expansion is projected to create up to 96 jobs. In photo, from left, are John Kilgore, economic development director for Scott County; John Justice, CFO, VFP; Jerry Arnold, president & CEO, VFP; Jonathan Belcher, VCEDA executive director/general counsel; and Joe Gillespie, VCEDA board member and Virginia Economic Development Partnership.



The Scott County EDA holds a ribbon cutting ceremony for Phase II of the Crooked Road Tech Center on August 16. Approved in 2003, VCEDA provided \$830,000 in regional funds to assist with site development of the technology park. In photo, from left, Darrell Jeter, Scott County Board of Supervisors; Boyd Maness, Scott County Board of Supervisors; Ross Jenkins, Scott County EDA and VCEDA board member; Danny Mann, chairman, Scott County Board of Supervisors; Congressman Morgan Griffith; John Kilgore (behind Griffith), director, Scott County EDA; Senator Bill Carrico; Roger Fraysier, Scott County EDA; and Joe Fuller, chairman, Scott County EDA.

In 2013, VCEDA approved and earmarked more than \$23 million in new loans and grants.



VCEDA participates in the August 20 ceremony to announce that Steel Fab, a manufacturer of tanks and pressure vessels, will locate at the former IAC building in Lebanon, creating 50 new jobs and retaining another 250. VCEDA approved up to a \$2.5 million loan to enable the Russell County IDA to purchase and upfit the building for lease to the company. Speaking at the ceremony is Barry Berquist, president of Samuel Pressure Vessel Group. Harry Rutherford, chairman of the Russell County IDA, is at right.



VCEDA closes three loans on May 2 to the Southwest Regional Recreation Authority totaling up to \$537,765 to assist with SRRA's Phase IA ATV trails projects in Buchanan, Dickenson and Wise counties, which are projected to create 226 direct and indirect jobs. In photo, from left, are Chuck Riedhammer, director, SRRA; Donnie Rife, VCEDA board member and Dickenson County Board of Supervisors; Charlotte Mullins, director, Dickenson County IDA and chairman of SRRA board; Brandee Owens, secretary, SRRA board; Donald Baker, VCEDA chairman; and Jonathan Belcher, VCEDA executive director/general counsel.



On August 9, the Buchanan County IDA signs the grant agreement on up to a \$3,641,325 grant from VCEDA for development of Phase II at Southern Gap in Buchanan County. Donald Baker, VCEDA chairman, left, presents Jay Rife, chairman of the Buchanan County IDA, with a ceremonial check for the grant. Total approved VCEDA funding for projects at Southern Gap, at 3,000 acres the largest industrial park in the region, is over \$23 million, all of which is now grant.



VCEDA Chairman Donald Baker helps cut the ribbon to officially open the MountainView ATV trail at St. Paul, Virginia on August 16. VCEDA is providing funding to the Southwest Regional Recreation Authority to develop this trail.



The Clintwood Sleep Inn & Suites holds a ribbon cutting and open house on April 1. The new hotel, which will create 12 jobs and other economic impact for the area, was constructed with a \$3.6 million loan from VCEDA to the Dickenson County IDA.

EXECUTIVE DIRECTOR'S REPORT



Jonathan Belcher
Executive Director/
General Counsel

In the 1988 session of the Virginia General Assembly, Delegate Ford Quillen of Gate City introduced legislation calling for the creation of a new regional economic development authority covering the counties of Buchanan, Dickenson, Lee, Russell, Scott, Tazewell, and Wise, and the City of Norton, to be called the Virginia Coalfield Economic Development Authority (VCEDA). The goal was to help this region, which had become overly dependent

on natural resource industries, to diversify and achieve some degree of economic stability. The organization was to be funded by a portion of local taxes paid by the coal and natural gas industries. From the outset, the concept was unique, creative, challenging, and exceptional, all at the same time.

In 2013, VCEDA celebrated its 25th anniversary and 25 years of success. Delegate Quillen, now retired, was presented with an award in his honor for his role in the founding of the organization. During these 25 years, VCEDA has gone from a fledgling organization confronted with the challenge of building a regional economic development program across an eight jurisdiction area, to one that now can point to a track record of great success with the prospect of many more important, successful years.

2013 was a momentous year for other reasons as well. During the year, VCEDA approved and earmarked over \$23 million in new loans and grants, reported five new projects and four expansions involving over 1,000 new projected jobs and more than \$25 million in projected investment, while at the same time maintaining an aggressive business development and marketing program to promote the region as a great place to do business and create jobs.

As VCEDA closes the chapter on its first 25 years, the organization looks boldly and positively towards the next 25 years. Although some of the challenges facing the region today are different than 25 years ago, many of the challenges are still the same. Although much progress has been made since VCEDA was created, much work remains to be done. As other regions and states look to the unique model of VCEDA, the need for VCEDA in the coalfield region of Virginia may be more important now than it was when Delegate Quillen first introduced it 25 years ago. In summary, the mission has been a success, but continues.

VCEDA staff includes, from left, Mitzi White, Office Manager; Jean Jordan, Funds Administrator; Jonathan Belcher, Executive Director/General Counsel; Marketta Horton, Economic Development Specialist; and Susan Copeland, Marketing Coordinator.



VCEDA closes a loan of up to \$834,250 to the Wise County IDA on July 23 for the acquisition of real estate to expand the Lonesome Pine Regional Business and Technology Park in Wise County by 200 acres, bringing the park to 425 total acres. Kenny Gilley, chairman of the Wise County IDA, left, and Donald Baker, VCEDA chairman, sign the loan documents.



Following the February 21 meeting, the VCEDA board holds a ceremony to shred the promissory note on the \$2,678,550 loan to the Buchanan County IDA on the Sykes project that created over 300 jobs in Buchanan County. VCEDA converted this to a grant.

Donald Baker, left, VCEDA chairman, looks on as Rick Stevens, president of Clinch River Forest Products, Inc., shreds a \$500,000 loan from VCEDA after it is paid in full, following the July 18 VCEDA board meeting.





VCEDA closes a loan of up to \$567,620 to Pemco Corporation on December 20 for an expansion at its Tazewell County facility. In photo, from left, are Jody Deel, chief financial officer, Pemco; Walter L. Sowers, chairman & CEO, Pemco; Jonathan Belcher, VCEDA executive director/general counsel; and Bill Davis, legal counsel, Pemco. Pemco is a manufacturer of electrical power distribution and transformer equipment located in Bluefield. The expansion is projected to create and retain up to 92 jobs.

In 2013 over 1,000 new jobs and more than \$25 million in investment were projected.



On May 7, VCEDA releases its lien on one acre of property in the Constitutional Oaks Industrial Park to enable the Lee County IDA to close on a 4G wireless cell tower project. VCEDA previously has provided \$400,000 in funding for the Constitutional Oaks Industrial Park and Shell Building, shown in the photo to the left. Available at this industrial park is over 280 acres and a 60,000 sq. ft. expandable shell building.



The Historic Crab Orchard Museum and Pioneer Park in Tazewell County holds a ribbon cutting March 15 to open the Pisgah Store/Daily Bread project, funded in part by up to a \$300,000 tourism grant from VCEDA.



Mary Rae Carter, Deputy Secretary of Commerce and Trade for Rural Economic Development, visits Russell and Dickenson counties January 29. In photo, from left, Tony Dodi, mayor, Town of Lebanon; Mary Rae Carter; Harry Rutherford, chairman, Russell County IDA; and Jonathan Belcher, VCEDA executive director/general counsel.



VCEDA closes a grant of \$54,299 to the Breaks Interstate Park Commission on March 20 to assist with hotel equipment and fiber optics at the interstate park which is in Buchanan and Dickenson counties in Virginia. From left, are Jonathan Belcher, VCEDA executive director/general counsel; Donald Baker, VCEDA chairman; and Matt O'Quinn, then superintendent of Breaks Interstate Park.

MARKETING VIRGINIA'S E-REGION

The Virginia Coalfield Economic Development Authority continues to market Virginia's e-Region as a great on-shore business location with a focus on electronic information technology, energy, education and emerging technologies. This was another active year in business development with 124 inquiries about the region, and more than 30 prospect visits were held, a 52 percent increase over the number conducted in 2012. VCEDA continued its existing business program with 24 visits made to businesses operating in the region.

Continuing a team approach to marketing the region, VCEDA worked with local economic developers to develop new print marketing materials on prime sites and buildings, conducted a survey among the group to get input on approaches to marketing and to look at what digital marketing tools can be added to assist the team in promoting the region, and attended trade shows and conferences as the Virginia's e-Region team. In March, the e-Region team attended the Mid-America Trucking Show in Louisville, KY, which had over 1,000 exhibitors, and the team met with 48 companies in pre-arranged meetings. In October, VCEDA led a team to exhibit and attend the fourth annual Governor's Conference on Energy in Richmond, VA, and SOUTH-TEC, an advanced manufacturing trade show in Greenville, SC, where team members met with more than 240 companies to promote the region as a business location. Also in October, VCEDA exhibited at the Virginia Manufacturers Association's annual Virginia Industry Leadership Forum.

VCEDA was a sponsor of the annual Coalfield Regional Legislative Reception in Richmond in January. Other activities included: hosting a visit from Mary Rae Carter, Deputy Secretary of Commerce and Trade for Rural Economic Development, to Russell and Dickenson counties in January; exhibiting at the Russell County Business Showcase in May; exhibiting at the Southwestern Virginia Technology Council annual awards banquet and gala in June; a meeting with local economic developers and Chancellor Donna Henry of the University of Virginia's College at Wise in July to discuss economic development in the region; hosting a regional meeting of VCEDA and the Virginia Economic Development Partnership (VEDP) in August; attending a meeting with the board of the VEDP at UVA-Wise in September; and attending and exhibiting at the Dickenson County Energy Expo and the Tazewell County Business to Business Showcase in October.

2013 New Announcements and Expansions

| New Projects | Jobs | Investment |
|-----------------------------|--------------|---------------------|
| Elite Apparel, LLC | 25 | \$390,000 |
| Steel Fab | 300 | \$1,500,000 |
| Tazewell County | | |
| School of Dental Medicine* | 245** | N/A |
| Spearhead Trails | 226** | N/A |
| Inn at Wise* | 40 | \$6,750,000 |
| Total: | 836 | \$8,640,000 |
| Expansions | Jobs | Investment |
| Tempur-Sealy | 42 | \$13,300,000 |
| VEC Customer Service Center | 37 | N/A |
| VFP, Inc. | 96 | \$3,500,000 |
| Pemco Corporation* | 92*** | \$792,437 |
| Total: | 267 | \$17,592,437 |
| Grand Total: | 1,103 | \$26,232,437 |

* Included in 2013 VCEDA data due to year of loan approval or loan closing.

** Includes direct and indirect jobs based on economic studies provided by the applicants.

*** Includes 30 retained jobs.



VCEDA worked with local economic developers to develop new print marketing materials on prime sites and buildings.

VCEDA leads a team of economic developers from the region to SOUTH-TEC, an advanced manufacturing trade show held October 29-31 in Greenville, SC. The team mans the Virginia's e-Region booth, walks the trade show floor and meets with over 240 companies. In photo, from left, front, are Jean Jordan, VCEDA; Charlotte Mullins, Dickenson County; Yvonne Rutherford, Russell County; Carl Snodgrass, Wise County; Harry Rutherford, Russell County; and Joe Gillespie, VCEDA board member and VEDP. Back, Craig Horn, Buchanan County; John Kilgore, Scott County; Jim Spencer, Tazewell County; and Sam Wolford, Tazewell County.



At SOUTH-TEC, the Virginia's e-Region team met with more than 240 companies to promote the region.



VCEDA features its exhibit booth at the fourth annual Governor's Conference on Energy October 15-17 in Richmond, VA. The event has approximately 400 attendees. In photo, from left, are Donnie Rife, VCEDA board member and Dickenson County; Susan Copeland, VCEDA marketing coordinator; Marketta Horton, VCEDA economic development specialist; and Harry Rutherford, Russell County IDA chairman.



Marketta Horton features VCEDA's exhibit booth at the May 15 Russell County Business Showcase, an event that provides businesses an opportunity to showcase their products and services.



VCEDA attends and features its exhibit booth at the annual Virginia Industry Leadership Forum of the Virginia Manufacturers Association October 17-18 in Charlottesville. In photo are Marketta Horton, left, and Susan Copeland representing VCEDA.



The Virginia's e-Region team attends the Mid-America Trucking Show in Louisville, KY March 21-22. The team walks the trade show floor of over 1,000 exhibitors and meets with 48 companies in pre-arranged meetings. From left, Marketta Horton, VCEDA; Carl Snodgrass, Wise County; Yvonne and Harry Rutherford, Russell County; Susan Copeland, VCEDA; Craig Horn, Buchanan County; and Donnie Rife, Dickenson County and VCEDA board member.

25

years



VCEDA'S ECONOMIC IMPACT

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 a study by Chmura Economics & Analytics. According to this study, VCEDA has made strong contributions to diversifying and growing the VCEDA region's economy, and also has helped reduce the unemployment of the region. The Chmura study 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.

VCEDA helps bring nearly 20,000 jobs and \$157 million in approved funding

1988

Mike Quillen is elected first Chairman of the VCEDA Board of Directors at its first meeting August 19 at the Holiday Inn in Norton. Delegate Ford Quillen, who introduced the legislation in the Virginia General Assembly creating VCEDA, emphasizes the importance of working together across county lines to achieve economic diversification. On December 6, VCEDA approves the first project, a \$716,500 loan to the Dickenson County IDA for the Donnkenny apparel project near Haysi.

1989

Charles Yates is hired as the first Executive Director, initial staff is hired, and a marketing slogan, "Southwest Virginia Promise," is adopted. A four-committee structure of Executive, Finance, Project Review and Marketing (now Business Development) is established. VCEDA approves several projects including loans to West River Machinery, Fournier, Inc., J&R Manufacturing, and Russell County IDA/ASAA Technologies.

1990

An Executive Advisory Board to VCEDA is created and involves state and business leaders, including Delegate Ford Quillen, who introduced the VCEDA legislation in the Virginia General Assembly, and former Virginia Governors Gerald Baliles and Linwood Holton. VCEDA adopts a marketing plan calling for 10,000 jobs during the 1990's, and loan administration begins. VCEDA approves four loans and two grants totaling \$2,730,505, including Lee County IDA/DeRoyal, Norton IDA/AT&T Relay Center, Buchanan County IDA/Council Industrial Site, and additional funds to the Dickenson County IDA on the Donnkenny project.

1991

VCEDA forms a strategic alliance with Mobil Oil Corporation to help promote the region. Six new announcements are made with 783 jobs projected, including Mullican Flooring, AT&T Relay Center, and the Lee County federal prison. VCEDA approves nine loans and grants totaling \$2,016,500 including to assist with an industrial site at Honaker, the AT&T Relay Center project, Lebanon shell building site, and industrial sites and parks at Clintwood, Slate Creek and Blackwood. The VCEDA Executive Advisory Board hosts a VIP tour of the region.

1992

VCEDA has approved 24 loans and grants since 1988 to help support a projected 1,660 jobs. Buchanan Information Park is targeted for development as a high-tech telecommunications center, and VCEDA approves \$977,975 in grants to assist with its development. VCEDA launches a shell building assistance program, and expansions are announced at the Ladd (Fournier) Furniture facility at St. Paul and the AT&T Relay Center in Norton. Former Governor Gerald Baliles speaks on "Designing the Roadmap for Economic Development in the Coalfields" at the annual Executive Advisory Board meeting.

1993

VCEDA approves a \$1.3 million grant to assist with development at the Breaks Interstate Park Conference Center, and a \$650,000 loan is approved to assist with expansion at ASAA Technologies for a projected 225 new jobs. A shell building marketing campaign begins, and loans are approved to assist with shell buildings in Lee, Dickenson, Wise and Tazewell counties. Groundbreakings are held on the expansion at Fournier Furniture and the Mullican Flooring project.

1994

Eight project announcements are made for a projected 1,017 jobs including Buster Brown Apparel (Wise County), DeRoyal Industries (Lee County), Diversified Apparel (Buchanan County), Jennmar (Tazewell County) and Super Sack Manufacturing (Lee County). Four loans and four grants totaling \$1,647,881 are approved, and it is reported that 4,615 net new jobs have been created since 1988, and that eight of nine employment sectors are growing in the region. VCEDA establishes a branch office in Buchanan County.

1995

VCEDA approves 12 loans and 9 grants totaling \$8,994,702 to help create a projected 717 new jobs. The initial building at Buchanan Information Park is completed in 85 days, and Issues & Answers is announced as the first tenant with a projected 200 new jobs. Other announcements include Marelco Power Systems and JEC Enterprises in Tazewell County. VCEDA approves a preplanning study for the proposed Appalachian School of Law. The concept of the Coalfields Expressway is promoted.

1996

VCEDA hosts a Red Carpet Tour of the region with Governor George Allen. VCEDA approves eight loans and eight grants totaling \$6,295,916 to help create a projected 898 new jobs. Project announcements include Reynolds Wheels and ProAir. A second project with Issues & Answers is announced in Russell County, and a special marketing initiative is introduced for the industrial park and shell building in Clintwood.

1997

Two new projects are announced, Nexus Communications in Dickenson County and VFP, Inc. in Scott County. The Appalachian School of Law and ProAir open in Buchanan County, Gilbert-NS Lumber facility opens in Scott County, and the Breaks Interstate Park Conference Center opens. VCEDA approves six loans and two grants totaling \$3,020,262. VCEDA launches its first website.

1998

VCEDA celebrates its 10th anniversary reporting \$34,542,835 in loans and grants for 90 projects approved since 1988. It is reported the region gains 10,364 jobs since 1988, 5,976 mining jobs lost, for a net gain of 4,388 new jobs. It was reported that 14 manufacturing/apparel plants had closed since 1988. Six new announcements are reported for a projected 429 jobs, including Crutchfield Corporation, SpanDeck, Associated Marine Institutes, DeRoyal Industries (Dryden), Innovative Design & Machine, and Faith Apparel. VCEDA approves 12 loans and grants totaling \$3,395,533.

1999

Sixteen new projects and expansions are announced with 1,488 jobs projected, including Tempur-Pedic (Scott County), TeleMed (Wise County), Super Sack Bag/FIBC (Lee County), Data Services of America (Buchanan County), Mountain Forest Products (Dickenson County), and expansions at Charlotte, Reynolds Wheels, Bell Atlantic and VFP. VCEDA approves four loans and six grants totaling \$1,742,163. A call center labor and training study is developed. The Executive Advisory Board reviews an economic development strategy for the 21st century, based on technology jobs, at its annual meeting.

2000

VCEDA approves \$6,547,853 in loans and grants, including \$2.5 million for the Town of Grundy redevelopment project, additional funding on the Appalachian School of Law project, and funding to help renovate the Hotel Norton. Six projects are announced with 777 projected jobs, including Sykes Enterprises (Wise County), Bush Industries (Wise County) and expansions at Marelco Power and Lear Corporation. A manufacturing labor study is developed.

2001

VCEDA approves \$7,482,775 in loans and grants, including \$4.6 million to build a new technology shell building in Wise. A total of 1,137 projected new jobs are announced, including Travelocity.com in Dickenson County projecting 500 jobs, Telecorp PCS in Russell County, Logisticare, Potomac Rowing, Fabrication & Design, and expansions at VFP and West River Machinery. Independent power producers are added as a new industry target. Theme of the 2001 VCEDA annual report is "Technology Strategy is Paying Off."

2002

The VCEDA Board expands funding programs to include an entrepreneurial development matching grant program, a seed capital matching loan fund, a tourism capital improvement matching fund, and a regional industrial park matching fund. With the national economy reported as sluggish, VCEDA approves \$2.4 million in loans and grants for 10 projects. Verizon announces a project to be located in Wise, and Pyott-Boone Electronics and Mullins Ammunition announce expansions. Construction begins on a new VCEDA headquarters office in Lebanon.

VCEDA AS A KEY AMBASSADOR FOR THE REGION

In 2007, Virginia Tech* completed an economic analysis of VCEDA's investments in the region from 1988-2006.

The study showed:

- » Nearly 10,000 jobs created
- » \$224 million in wage bill created
- » 121,620 aggregated employment impact
- » \$917.6 million tax impact of VCEDA investments
- » Significant positive effect on regional unemployment rates

**Study conducted by the Department of Agricultural and Applied Economics and the Office of Economic Development at Virginia Tech.*



25 years

VCEDA's total annual economic impact in Southwest Virginia estimated at \$4.4 billion*

* (2011) Chmura Economics & Analytics, Jan. 2012.

2003

VCEDA approves nearly \$15 million in funding, including 13 loans and six grants. AT&T Wireless customer service center opens in Lebanon with a projected 400 new jobs. A major expansion is announced at Tempur-Pedic in Scott County, and the Virginia Employment Commission customer service center is announced in Buchanan County. VCEDA approves funding to help keep the Dickenson County Community Hospital open, a grant to help develop the Ralph Stanley Museum in Clintwood and funding to assist with site development of the e-Corridor regional park in Duffield. VCEDA moves into its new office in Lebanon.



2004

Governor Mark Warner hosts a VIP Tour. Fourteen projects are announced for a projected 999 new and retained jobs. Announcements include Blue Ridge Wood Products, and expansions at Pemco, VFP, Alcoa Wheels, Buchanan Pump, and Crutchfield Corporation. VCEDA approves three loans and 10 grants totaling \$2,222,250, and closes 17 loans and grants during the year for a projected 500 new and retained jobs. "Virginia's Energy Region" is adopted as a marketing slogan. Eva Teig Hardy of Dominion Power discusses the construction of a new power plant in Southwest Virginia at the annual Executive Advisory Board meeting.



2005

Northrop Grumman and CGI announce major IT projects in Russell County that are projected to create over 700 new advanced technology jobs. SI International announces a new technology project in Dickenson County projected to create 100 jobs. VCEDA approves nine loans and nine grants totaling \$6,111,799. Other projects announced include KCG Call Centers, Call Evolution (Results Duffield), Clinch River Forest Products, and expansions at VFP and Pyott-Boone Electronics. The Appalachian College of Pharmacy opens in Buchanan County. "Technology is leveling the playing field" is the theme of the annual meeting of the Executive Advisory Board.



2006

Charles Yates retires as VCEDA Executive Director and Jonathan Belcher is promoted to Executive Director and General Counsel. Northrop Grumman and CGI hold groundbreakings for their new technology centers in Russell County. Dominion Power announces plans to construct the Virginia City Hybrid Energy Center in Wise County. Holston Medical Group announces plans to locate a state-of-the-art medical records data center in Scott County. VCEDA approves over \$10 million in funding, including seven loans and seven grants. County unemployment rates are all under six percent.

2007

Ribbon cuttings are held to open Northrop Grumman and CGI technology centers in Lebanon. A Virginia Tech study on VCEDA reports that nearly 10,000 jobs have been created since VCEDA began and that the organization has had a significant positive effect on regional unemployment rates. VCEDA approves \$22,132,550 in six loans and eight grants. Eleven new announcements and expansions totaling more than 1,000 projected new and retained jobs and over \$26 million in investment include Sykes Enterprises (Buchanan County), Synergy Biofuels (Lee County), Rogers Foam Corporation (Scott County) and expansions by KCG Call Centers, IAC, and Buchanan Pump. The "Virginia's Energy Region" slogan is modified to "Virginia's e-Region," reflecting a focus on electronic information technology, energy and education.



2008

VCEDA celebrates 20 years of progress, nearly 12,000 jobs, more than \$115 million in approved funding for 206 projects and over \$2 billion in announced investments. VCEDA approves seven loans and seven grants totaling \$9,405,918. Projects include the Constitutional Oaks shell building, Bryant Electric, Appalachia America Energy Research Center, the Inn at Wise, and regional fiber optic broadband. A groundbreaking ceremony is held for the Virginia City Hybrid Energy Center in Wise County, and a ribbon cutting opens the Dickenson Center for Education and Research in Dickenson County. The region sees three new announcements and three expansions in 2008 as the national recession begins. VCEDA ramps up the "Virginia's e-Region" marketing strategy.



2009

VCEDA approves two loans and four grants totaling \$8,806,899, including additional funding for the Grundy redevelopment project, Southern Gap Business Park, and funding for the Bluestone Regional Business and Technology Center. Ribbon cuttings are held on the Constitutional Oaks shell building and on the new cabins funded by VCEDA at Breaks Interstate Park. The Crooked Road Technology Center opens, and InTouch Sales customer service center opens in Richlands. CGI announces a major expansion creating 100 new jobs. VCEDA unveils a new regional marketing video.

2010

VCEDA approves five loans and two grants totaling \$9,102,000, including \$5.6 million for the college of optometry project in Buchanan County and \$2,020,000 for the purchase of real estate in Scott County. New announcements include DirectTV with 45 jobs and the Appalachian College of Optometry with 66 projected jobs. KCG Call Centers expands by 50 jobs. VCEDA increases focus on marketing and business development activities to generate interest, and website hits, prospect visits and inquiries all increase. Economist Dr. Chris Chmura tells the Executive Advisory Board the economy of the VCEDA region is doing better than the state and the nation.

2011

VCEDA hosts a Red Carpet Tour with Governor Bob McDonnell. VCEDA had 56 prospect visits throughout the year, the highest number on record for at least 15 years, and four new announcements and two expansions were reported in the region for a projected 428 new jobs and over \$24 million in investment. VCEDA approves two loans and six grants totaling \$9,227,213. The Clintwood Sleep Inn and the Lebanon Holiday Inn Express are approved for funding, and additional projects include funding for a new aquatics water park facility and fiber optics at the Breaks Interstate Park and for site development at the Cumberland Plateau Regional Industrial Park in Lebanon. The regional average unemployment rate as of February 2011 is 7.59%, nearly 2% below the national average.

2012

Business development activities help lead to over 100 percent increase in inquiries about the region. The official opening and ribbon cutting is held for the Virginia City Hybrid Energy Center. A dental school project is announced in Tazewell County. "Splash in the Park" opens at Breaks Interstate Park, a groundbreaking is held for the Lebanon Holiday Inn Express, and expansions are announced at Pyott-Boone Electronics and Mullican Flooring. VCEDA approves three loans and one grant totaling \$2,135,299. A study by Chmura Economics & Analytics estimates that the total annual economic impact of VCEDA in Southwest Virginia is \$4.4 billion that supported 27,787 jobs in 2011.



2013

VCEDA celebrates 25 years of success and reports that since 1988, it has approved over \$157 million in funding for 244 projects; nearly 20,000 projected jobs were reported 1988-2013. VCEDA approves and earmarks more than \$23 million in new loans and grants, reports five new projects and four expansions involving more than 1,000 projected jobs and more than \$25 million in projected investment. Projects include the Tazewell County dental school with 245 projected jobs and the Spearhead Trails with a 226 job projected impact. Ribbon cuttings are held at the Historic Crab Orchard Museum and Pioneer Park and the Clintwood Sleep Inn & Suites. New projects include Elite Apparel in Lee County and Steel Fab in Russell County, and expansions at Tempur-Sealy and VFP, Inc. in Scott County, Pemco Corporation in Tazewell County, and growth at the Virginia Employment Commission's customer service center in Buchanan County. Restoration and improvements continue at the historic Inn at Wise in Wise County with \$2.2 million in approved funding from VCEDA.



Ford Quillen, left, is presented with a resolution from VCEDA honoring him for his service and dedication, notably his role in the founding of VCEDA. Delegate Ford Quillen introduced legislation creating VCEDA to the Virginia General Assembly in 1988. Mike Quillen, current VCEDA treasurer and the first chairman of the VCEDA Board of Directors, presented the resolution.

RESOLUTION Honoring Ford C. Quillen

Whereas, the Honorable Ford C. Quillen, among his many other accomplishments and service, served as a member of the Virginia House of Delegates from 1970 - 1993; and,

Whereas, the Virginia Coalfield Economic Development Authority (VCEDA) was created by Act of the Virginia General Assembly in 1988 to enhance and help stabilize the economy of the seven-county, one-city coalfield region of Virginia; and,

Whereas, Delegate Ford C. Quillen introduced this legislation that created VCEDA; and,

Whereas, VCEDA is celebrating its 25th anniversary in 2013 and wishes to acknowledge and recognize the service and many accomplishments of Ford C. Quillen, notably including his role in the founding of VCEDA; and,

Whereas, a recent study found that the total annual economic impact of VCEDA in Southwest Virginia was estimated to be \$4.4 billion that supported 27,787 jobs in 2011, and that VCEDA has made strong contributions to diversifying and growing the VCEDA's region's economy and has helped to reduce the unemployment rate of the region; and,

Now, Therefore, Be it Resolved by the Board of the Virginia Coalfield Economic Development Authority that sincere expressions of gratitude are hereby expressed to the Honorable Ford C. Quillen for his years of tireless service to the coalfield region of Virginia including his role in the founding of the Virginia Coalfield Economic Development Authority, which has helped to create many jobs and other economic benefits for the citizens of the coalfield region.

Be it Further Resolved, that a framed copy of this Resolution be transmitted to the Honorable Ford C. Quillen in honor of his efforts on behalf of VCEDA and the region.

Adopted at a meeting of the Board of the Virginia Coalfield Economic Development Authority held on the 18th day of July, 2013, at Lebanon, Virginia.

2013 HIGHLIGHTS

JANUARY 17

VCEDA is a sponsor of the annual coalfield regional legislative reception in Richmond, VA.

FEBRUARY 1

VCEDA staff participates in the Mountain Empire Community College Economic Development Summit.

FEBRUARY 21

Following its first meeting of the year, the VCEDA board of directors holds a note-shredding ceremony for a \$2,678,550 loan to the Buchanan County IDA, which was converted to a grant, on the Sykes project that created 300 jobs in Buchanan County.

FEBRUARY 27

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

MARCH 15

VCEDA participates in a ribbon cutting for the Historic Crab Orchard Museum and Pioneer Park's Pisgah Store/Daily Bread diner project, funded in part by up to a \$300,000 tourism grant from VCEDA.

MARCH 20

VCEDA closes a \$54,299 grant to the Breaks Interstate Park Commission to assist with hotel equipment and fiber optics at the interstate park located in Buchanan and Dickenson counties in Virginia.

MARCH 21-22

The Virginia's e-Region team attends the Mid-America Trucking Show in Louisville, KY, walking the exhibit floor of more than 1,000 exhibitors and meeting with and presenting regional information to 48 companies in pre-arranged meetings.

APRIL 1

VCEDA participates in a ribbon cutting and open house at the new Sleep Inn & Suites hotel in Clintwood, constructed with a \$3.6 million loan from VCEDA to the Dickenson County IDA.

APRIL 12

VCEDA converts a \$320,500 loan to the Russell County IDA for the AT&T Wireless project to a grant.

APRIL 18

The VCEDA board meets and approves loans of up to \$537,765 to the Southwest Regional Recreation Authority for Phase IA off-highway vehicle (OHV) trails projects in Wise, Dickenson, and Buchanan Counties. The board also approves up to a \$3.5 million loan to the Tazewell County IDA to help with the development of a school of dental medicine in the Bluestone Regional Business and Technology Center. The board also approves a loan of up to \$834,250 to the Wise County IDA to purchase real estate for economic development near the Lonesome Pine Regional Business and Technology Park. The board also approves the release of one acre of land in the Constitutional Oaks Industrial Park for the Lee County IDA for development of a 4G wireless tower.

APRIL 23

VCEDA unveils a Small Business Briefcase notebook and exhibits at the Small Business Opportunity Summit at the Southwest Virginia Technology Development Center. Designed by VCEDA, the notebook is to assist entrepreneurs and small businesses.

MAY 2

VCEDA closes three loans totaling up to \$537,765 to the Southwest Regional Recreation Authority to assist with Phase IA of the ATV trails projects in Buchanan, Dickenson and Wise counties, which are projected to create 226 direct and indirect jobs.

MAY 7

VCEDA releases its lien on one acre of property in the Constitutional Oaks Industrial Park to enable the Lee County IDA to close on a 4G wireless cell tower project.

MAY 14

VCEDA participates in an economic development workshop sponsored by Appalachian Power Company in Wytheville, VA.

MAY 15

VCEDA exhibits at the annual Russell County Business Showcase, an event that provides businesses and organizations an opportunity to showcase their products and services to the public.

JUNE 12

VCEDA participates in the Clinch River Initiative meeting.

JUNE 13

VCEDA attends and exhibits at the Southwestern Virginia Technology Council annual awards banquet and gala.

JULY 10

VCEDA holds its quarterly meeting of local and regional economic developers at UVA-Wise and meets with Chancellor Donna Henry.

JULY 18

The VCEDA board celebrates 25 years of success at a board meeting and luncheon, honoring with a resolution now retired Delegate Ford Quillen who introduced legislation to create VCEDA in the Virginia General Assembly in 1988. The board also holds a note-shredding ceremony for Clinch River Forest Products which paid its loan in full.



JULY 23

VCEDA closes a loan up to \$834,250 to the Wise County IDA for the acquisition of real estate to expand by 200 acres the Lonesome Pine Regional Business and Technology Park in Wise, enlarging the park to 425 total acres.

AUGUST 1

VCEDA hosts a regional meeting with local economic developers and representatives from the Virginia Economic Development Partnership at the VCEDA office in Lebanon.

AUGUST 9

VCEDA and the Buchanan County IDA sign the agreement on up to a \$3,641,325 grant from VCEDA for development of Phase II at Southern Gap in Buchanan County, bringing total approved VCEDA funding for projects at Southern Gap to over \$23 million, all of which is now grant. At 3,000 acres, Southern Gap is the largest industrial park in the region and one of the largest in the state.

AUGUST 16

VCEDA attends the ribbon cutting ceremony held by the Scott County EDA on Phase II of the Crooked Road Tech Center at Duffield. Approved in 2003, VCEDA provided \$830,000 in regional funds to assist with site development of this technology park.



AUGUST 16

VCEDA attends the ribbon cutting ceremony for the official opening of the MountainView ATV trail at St. Paul. VCEDA is providing funding to the Southwest Regional Recreation Authority to develop this trail.

AUGUST 20

VCEDA participates in the ceremony to announce that Steel Fab, a manufacturer of tanks and pressure vessels, will locate at the former IAC building in Lebanon, creating 50 new jobs and retaining another 250. VCEDA approved up to a \$2.5 million loan to enable the Russell County IDA to purchase and upfit the building for lease to the company.

SEPTEMBER 12

VCEDA attends a reception and dinner at UVA-Wise with the Virginia Economic Development Partnership board of directors who held a board meeting and toured Southwest Virginia.

SEPTEMBER 19

The VCEDA board meets and approves converting \$60,000 of a loan owed by the Wise County IDA on the Pinnacle Wood Products project into a grant, and also approves a request from the Dickenson County IDA to release VCEDA's lien on the Dickenson Community Hospital.

OCTOBER 4

VCEDA closes up to a \$581,000 loan to VFP, Inc. to help the company expand its facilities at Duffield in Scott County. VFP makes communication shelters, and the expansion is projected to create up to 96 jobs.

OCTOBER 10

VCEDA closes an up to \$2.5 million loan to the Russell County IDA for the Steel Fab project.

OCTOBER 11

VCEDA attends and exhibits at the second annual Dickenson County Energy Expo held at the Dickenson Center for Education and Research in Clintwood.

OCTOBER 15-17

VCEDA attends and exhibits at the fourth annual Governor's Conference on Energy in Richmond.

OCTOBER 17-18

VCEDA attends and exhibits at the Virginia Industry Leadership Forum in Charlottesville, an annual event of the Virginia Manufacturers Association.

OCTOBER 18

VCEDA helps cut the ribbon on the newly renovated cottage at the Historic Crab Orchard Museum and Pioneer Park in Tazewell County. The museum hopes the cottage will attract visitors to the museum who will stay in the area longer. The project was partially funded by the up to \$300,000 tourism grant originally approved by VCEDA in 2006.



OCTOBER 23

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

OCTOBER 25

VCEDA attends and exhibits at the eleventh annual Tazewell County Business to Business Showcase at Southwest Virginia Community College.

OCTOBER 29-31

VCEDA leads a team of economic developers from the region to the SOUTH-TEC advanced manufacturing trade show in Greenville, SC. The team mans the Virginia's e-Region exhibit booth, walks the trade show floor and meets with over 240 companies.

NOVEMBER 15

VCEDA closes an up to \$1.5 million loan to the Wise County IDA for the Inn at Wise, bringing VCEDA's total funding for this project to up to \$2.2 million.

NOVEMBER 20

A \$3.5 million expansion project is announced at VFP, Inc. in Duffield, a producer of quality prefabricated structures for the telecommunications, power and modular building industries.



DECEMBER 12

VCEDA meets with local economic developers to discuss marketing.

DECEMBER 19

The VCEDA board holds its final meeting of the year and elects the following officers for 2014: Donald Baker, chairman; Stacy Estep Munsey, vice chairman; Mike Quillen, treasurer; and Joe Gary Street, secretary. The board approves a request from the Buchanan County IDA to forgive and convert into a grant the outstanding balance (\$2,011,967.39) on the up to \$2,090,000 loan approved by VCEDA June 19, 2003 for building #2 at the Buchanan Information Park; up to a \$15,000 grant to the Dickenson County IDA for a preliminary engineering report of an industrial site; and up to a \$24,552.05 grant to the Breaks Interstate Park Commission for building improvements and renovations at the Breaks Interstate Park. The board also approves up to a \$1.5 million loan to the Virginia Coalfield Coalition, Inc. to help finance the construction of 4G wireless towers in Buchanan, Russell and Wise counties. Finally, the board contingently earmarked up to \$10 million in loan funds from the Coalfield Regional Opportunity Fund for a confidential pending project.

DECEMBER 20

VCEDA closes a loan of up to \$567,620 to Pemco Corporation for an expansion project at its Tazewell County facility. This marks the fourth loan by VCEDA since 1997 for expansions at the company. The project is projected to create and retain up to 92 jobs.



VIRGINIA COALFIELD ECONOMIC DEVELOPMENT AUTHORITY BOARD OF DIRECTORS

The VCEDA Board of Directors, in photo, from left, back: Steve Greer, Joe Gillespie, J.P. Richardson, Ross Jenkins, Donnie Rife, Carroll Branham, Ron McCall, Donald Ratliff, Frank Underwood, Glen Skinner, and Jim Baldwin. Front: Joe Gary Street, secretary; Stacy Estep Munsey, vice chairman; Donald Baker, chairman; Jonathan Belcher, VCEDA executive director/general counsel; and Mike Quillen, treasurer. Not pictured is Dana Kilgore.



Officers

Donald Baker
Chairman

Stacy Estep Munsey
Vice Chairman

Joe Gary Street
Secretary

Michael J. Quillen
Treasurer

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

Donald Ratliff
Dickenson-Russell Coal Company

Frank Underwood
CONSOL Buchanan Mining Company, LLC

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

2013 VCEDA LOAN AND GRANT APPROVALS

| Loans | | | | |
|-------------------------------------|---|----------|-----------|----------------------|
| County | Project | Approved | | Amount |
| Buchanan | Southwest Regional Recreation Authority Phase IA | 4/18/13 | \$ | 91,905.00 |
| Dickenson | Southwest Regional Recreation Authority Phase IA | 4/18/13 | \$ | 144,122.00 |
| Russell | Russell County IDA/IAC Building Acquisition and Upfit | 7/18/13 | \$ | 2,500,000.00 |
| Tazewell | Tazewell County IDA/School of Dental Medicine | 4/18/13 | \$ | 3,500,000.00 |
| Tazewell | Pemco Corporation | 7/18/13 | \$ | 567,620.00 |
| Wise | Southwest Regional Recreation Authority Phase IA | 4/18/13 | \$ | 301,738.00 |
| Wise | Wise County IDA/Acquisition of Real Estate | 4/18/13 | \$ | 834,250.00 |
| Buchanan, Russell, Wise | Virginia Coalfield Coalition, Inc. | 12/19/13 | \$ | 1,500,000.00 |
| Total Loans | | | \$ | 9,439,635.00 |
| Grants | | | | |
| Buchanan | Buchanan County IDA/Southern Gap Phase II | 7/18/13 | \$ | 3,641,325.00 |
| Dickenson | IDA/Coalfield Regional Industrial Park Preliminary Engr. Report | 12/19/13 | \$ | 15,000.00 |
| Dickenson | Breaks Interstate Park/Bldg. Renovations & Improvements | 12/19/13 | \$ | 24,552.05 |
| Total Grants | | | \$ | 3,680,877.05 |
| Total Loans & Grants | | | \$ | 13,120,512.05 |
| Earmarked (Loan) | Project Jonah | 12/19/13 | \$ | 10,000,000.00 |
| Total Approved and Earmarked | | | \$ | 23,120,512.05 |



VIRGINIA COALFIELD ECONOMIC DEVELOPMENT AUTHORITY

STATEMENT OF CASH RECEIPTS & DISBURSEMENTS—YEAR ENDED DECEMBER 31, 2013

| | Fund Balance 1/1/2013 | Cash Receipts | | | Cash Disbursements | | Fund Balance 12/31/2013 | Uncommitted Available Balance |
|------------------|--------------------------|---------------------|--------------------|----------------------|---|---------------------------|-------------------------------|-------------------------------------|
| | | Receipts | Interest Earned | Loans Collections | Administrative & Business Dev. Expenses | Project Loans & Grants | | |
| Buchanan County | \$ 11,277,418 | \$ 2,741,917 | \$ 29,779 | \$ - | \$ 221,180 | \$ - | \$ 13,827,934 | \$ 4,494,704 |
| Dickenson County | 7,753,871 | 1,035,813 | 19,588 | 220,703 | 97,086 | 139,935 | 8,792,954 | 8,509,079 |
| Lee County | (277,942) | 11,264 | (641) | 7,766 | 695 | - | (260,248) | (260,248) |
| City of Norton | 60,853 | - | 146 | - | - | - | 60,999 | 60,999 |
| Russell County | 3,493,971 | 312,542 | 7,973 | 176,620 | 27,103 | 2,512,220 | 1,451,783 | 467,192 |
| Scott County | 61,689 | 1,259 | 149 | - | 55 | - | 63,042 | 63,042 |
| Tazewell County | 4,250,773 | 428,447 | 10,817 | 181,888 | 41,887 | 5,676 | 4,824,362 | 762,418 |
| Wise County | 11,135,283 | 542,986 | 26,738 | 703,334 | 51,472 | 1,673,942 | 10,682,927 | 9,723,381 |
| Undesignated | 10,500,508 | 846,630 | 25,721 | 127,560 | 197,248 | 688,502 | 10,614,669 | 8,956,478 |
| Tax Credit | 20,460,537 | 1,623,968 | 50,080 | - | - | 461,000 | 21,673,585 | 11,476,476 |
| Civil Penalties | 72,255 | 23,315 | 103 | - | - | 54,299 | 41,374 | 16,822 |
| CFO Funds | 1,926,743 | - | 1,722 | - | - | 736,518 | 1,191,947 | 36,331 |
| TOTALS | \$ 70,715,959 | \$ 7,568,141 | \$ 172,175 | \$1,417,871 | \$ 636,726 | \$ 6,272,092 | \$ 72,965,328 | \$ 44,306,674 |

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, 2013.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the cash receipts and disbursements basis of accounting described in Note 1. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to error or fraud.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statements 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 involves performing procedures to obtain audit evidence about the amounts and disclosures in the statement of cash receipts and disbursements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the statement of cash receipts and disbursements referred to above presents fairly, in all material respects, the recorded cash transaction of the cash receipts and disbursements of the Virginia Coalfield Economic Development Authority, for the year ended December 31, 2013, on the basis of accounting described below.

Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements of the Virginia Coalfield Economic Development Authority are prepared on the cash basis of accounting which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to that matter.



THROWER, BLANTON & ASSOCIATES, P.C.

Certified Public Accountants
Norton, Virginia
February 6, 2014

VIRGINIA COALFIELD ECONOMIC DEVELOPMENT AUTHORITY
NOTE TO FINANCIAL STATEMENTS
December 31, 2013

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.

VCEEDA

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25



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