



# Commonwealth of Virginia

## Auditor of Public Accounts

Walter J. Kucharski  
Auditor of Public Accounts

P.O. Box 1295  
Richmond, Virginia 23218

December 15, 2011

Mr. Bill Howell  
United States Department of the Interior  
Office of Budget  
1849 C St., N.W., MS-4116  
Washington, D.C. 20240

Dear Mr. Howell:

In compliance with Chapter 69, Title 31 U.S. Code, §6901-6907, commonly referred to as the Payments in Lieu of Taxes (PILT) Act, we are enclosing the following requested information:

Attachment A Statement of Federal Land Payments during the period  
*October 1, 2010 through September 30, 2011*

Attachment B Code of Virginia Chapter 8, Public School Funds, Article 3  
§ 22.1-108, *Money derived from forest reserve*

The total amount disbursed for Timber Payments matches the amount reported on Enclosure 2, which was received on October 26, 2011 from the United States Department of the Interior. The disbursements are included on the Statement of Federal Land Payments.

The total amount disbursed for Minerals Management Service Payments includes undistributed funds at the end of federal fiscal year 2010 that were subsequently distributed during federal fiscal year 2011, and therefore does not match Enclosure 2 by the amount of these funds and funds distributed during federal fiscal year 2011. Details on the distribution of these payments are disclosed in Note 1 of the Statement of Federal Land Payments.

The total amount disbursed for Federal Energy Regulatory Commission (FERC) Power Sales does not match Enclosure 2 because undistributed funds at the end of federal fiscal year 2011 were subsequently distributed during federal fiscal year 2012. Details on the distribution of these payments are disclosed in Note 2 of the Statement of Federal Land Payments.

Should you have any questions concerning the report, please contact DeAnn Compton, at:

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AUDITOR OF PUBLIC ACCOUNTS

DBC/alh

cc: The Honorable Robert F. McDonnell, Governor of Virginia  
Marie Williams, Department of Education  
Valerie Thomson, Department of Environmental Quality  
Chris Moore, Department of Environmental Quality

**COMMONWEALTH OF VIRGINIA**  
**STATEMENT OF FEDERAL LAND PAYMENTS**

For the Period October 1, 2010 through September 30, 2011

| <b>Governmental Unit</b> | <b>Timber<br/>Payments</b> | <b>Mineral<br/>Management<br/>Service Payments<br/>(Note 1)</b> | <b>FERC<br/>Power Sales<br/>(Note 2)</b> | <b>Total<br/>Recommended<br/>for Acceptance</b> |
|--------------------------|----------------------------|---|--|---|
| Alleghany County         | \$ 173,542.88              | \$ 1,279.98   | \$ -                                     | \$ 174,822.86                                   |
| Amherst County           | 74,271.20                  | 522.17  | -  | 74,793.37                                       |
| Augusta County           | 236,209.84                 | 1,768.83  | -  | 237,978.67                                      |
| Bath County              | 134,024.82                 | 1,567.15  | -  | 135,591.97                                      |
| Bedford County           | 16,145.79                  | 1,487.07  | -  | 17,632.86                                       |
| Bland County             | 127,208.47                 | 6,053.14  | -  | 133,261.61                                      |
| Botetourt County         | 60,418.67                  | 5,499.01  | -  | 65,917.68                                       |
| Carroll County           | 11,713.17                  | 575.72  | -  | 12,288.89                                       |
| Craig County             | 169,669.44                 | 9,196.58  | -  | 178,866.02                                      |
| Dickenson County         | 17,072.68                  | (-5,313.20)   | -  | 11,759.48                                       |
| Frederick County         | 4,944.26                   | 44.06   | -  | 4,988.32  |
| Giles County             | 109,834.04                 | 5,033.08  | -  | 114,867.12                                      |
| Grayson County           | 78,598.53                  | 2,621.88  | -  | 81,220.41                                       |
| Highland County          | 77,812.73                  | 525.68  | -  | 78,338.41                                       |
| Lee County               | 23,385.11                  | 895.64  | -  | 24,280.75                                       |
| Montgomery County        | 34,747.38                  | 1,537.19  | -  | 36,284.57                                       |
| Nelson County            | 5,175.67                   | 178.87  | -  | 5,354.54  |
| Page County              | 47,847.62                  | 244.34  | -  | 48,091.96                                       |
| Pulaski County           | 25,037.98                  | 1,524.06  | -  | 26,562.04                                       |
| Roanoke County           | 2,465.81                   | 248.09  | -  | 2,713.90  |
| Rockbridge County        | 71,790.37                  | 2,102.62  | -  | 73,892.99                                       |
| Rockingham County        | 36,493.39                  | 1,261.24  | -  | 37,754.63                                       |
| Scott County             | 64,325.41                  | 2,732.37  | -  | 67,057.78                                       |
| Shenandoah County        | 19,856.03                  | 686.19  | -  | 20,542.22                                       |
| Smyth County             | 115,707.14                 | 5,914.77  | -  | 121,621.91                                      |
| Tazewell County          | 13,456.01                  | 775.68  | -  | 14,231.69                                       |
| Warren County            | 1,642.12                   | 56.76   | -  | 1,698.88  |
| Washington County        | 27,792.53                  | 1,762.15  | -  | 29,554.68                                       |
| Wise County              | 62,264.53                  | 2,882.66  | -  | 65,147.19                                       |
| Wythe County             | 78,977.31                  | 4,613.29  | -  | 83,590.60                                       |
| <b>TOTAL</b>             | <b>\$ 1,922,430.93</b>     | <b>\$ 58,277.07</b>   | <b>\$ -</b>                              | <b>\$ 1,980,708.00</b>                          |

**Note 1:** During federal fiscal year 2011, the amount reported for Minerals Management Service Payments on Enclosure 2 from the Department of the Interior was \$40,240. Actual cash payments to localities during federal fiscal year 2011 totaled \$64,273.43, which includes payments of \$25,544.05, which were undistributed funds at the end of federal fiscal year 2010. Additionally, this statement does not include undistributed funds of \$1,510.26 at the end of federal fiscal year 2011, which will be included in our statement for federal fiscal year 2012.

In the prior year report, we incorrectly included \$5,996.36 in distributions to Dickenson County that did not relate to this program. To adjust for that, we have reduced Dickenson County's federal fiscal year 2011 distributions by the prior year incorrect amount. Dickenson County's actual distribution for federal fiscal year 2011 is \$683.16.

**Note 2:** During federal fiscal year 2011, the amount reported for Federal Energy Regulatory Commission (FERC) Power Sales on Enclosure 2 from the Department of the Interior was \$41,168. Actual cash payments to localities during federal fiscal year 2011 totaled \$0, leaving \$41,168 in undistributed funds at the end of federal fiscal year 2011.

**Code of Virginia Chapter 8, Public School Funds, Article 3**

[§ 22.1-108.](#) Money derived from forest reserve.

All federal funds paid to the Commonwealth arising from the forest reserve shall be paid to the State Treasurer to be distributed and disposed of as provided in this section.

The treasurer of each school division within whose boundaries there is located any land owned by the United States government and held as a forest reserve shall ascertain the area of such land so situated in the school division and the reserve in which the same is located and make a report thereof to the Comptroller. Upon receipt of such information from the treasurer, the Comptroller shall apportion all federal funds arising from such forest reserve among the school divisions in which such forest reserve is located according to the area in each school division. The Comptroller shall keep separate accounts of all federal forest reserve funds received by him.