



# Commonwealth of Virginia

Auditor of Public Accounts  
P.O. Box 1295  
Richmond, Virginia 23218

**Walter J. Kucharski, Auditor**

November 15, 2007

Mr. William Howell  
Budget and Finance Team  
Bureau of Land Management (WO-880)  
1849 C St., N.W., MS 1025-L Street  
Washington, D.C. 20240-9998

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, 2006 through September 30, 2007

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

The amount disbursed for Timber Payments is larger than the amount reported on Enclosure 2 as provided by the United States Department of the Interior. The increased disbursements occurred due the receipt of two additional payments received by the Virginia Department of Education throughout the course of Federal fiscal year 2007. There is an explanation of the additional payments in Note 1 on the Schedule of Federal Land Payments.

The amount disbursed for MMS Service payments is less than the amount received during the federal fiscal year. There were undistributed funds remaining from Federal fiscal year 2007 that were distributed during Federal fiscal year 2008. There is an explanation in Note 2 on the Schedule of Federal Land Payments.

The amount for FERC Power Sales will not match the amount reported in Enclosure 2 of the PILT reporting requirements. The amount reported on Enclosure 2 was received during Federal fiscal year 2008; therefore, it was not disbursed by the Virginia Department of Education during Federal fiscal year 2007. There is an explanation in Note 3 on the Schedule of Federal Land Payments.

Should you have any questions concerning the report, please contact Duane Miller, at:

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AUDITOR OF PUBLIC ACCOUNTS

DEM/wdh

cc: The Honorable Timothy Kaine, Governor of Virginia  
Marie Williams, Department of Education  
Francis Campbell, Department of Environmental Quality

**COMMONWEALTH OF VIRGINIA**  
**STATEMENT OF FEDERAL LAND PAYMENTS**  
For the Period October 1, 2006 through September 30, 2007

Governmental Unit	Timber Payments Note 1	Mineral Management Service Payments Note 2	FERC Power Sales Note 3	Total Recommended For Acceptance
Alleghany County	\$ 84,146.59	\$ -	\$ -	\$ 84,146.59
Amherst County	34,069.64	-	86.83	34,156.47
Augusta County	115,620.45	-	-	115,620.45
Bath County	87,796.91	-	19,508.49	107,305.40
Bedford County	10,491.28	973.76	-	11,465.04
Bland County	40,559.09	3,963.70	-	44,522.79
Botetourt County	44,993.55	3,524.01	-	48,517.56
Carroll County	3,785.52	376.99	-	4,162.51
Charlotte County	70.50	-	-	70.50
Chesapeake	60,188.25	-	-	60,188.25
Craig County	64,570.07	6,022.05	-	70,592.12
Dickenson County	5,689.92	447.35	-	6,137.27
Fairfax County	14,185.89	-	1,525.20	15,711.09
Frederick County	2,920.25	-	-	2,920.25
Giles County	36,405.65	3,295.73	-	39,701.38
Grayson County	18,386.79	1,716.85	-	20,103.64
Halifax County	41.25	-	-	41.25
Highland County	34,394.11	-	-	34,394.11
Lee County	6,273.14	586.49	-	6,859.63
Mecklenburg County	2,703.75	-	-	2,703.75
Montgomery County	2,214.06	1,006.58	-	3,220.64
Nelson County	11,140.23	-	-	11,140.23
Page County	16,115.48	-	-	16,115.48
Pulaski County	10,815.76	997.99	-	11,813.75
Roanoke County	1,730.52	162.45	-	1,892.97
Rockbridge County	38,936.73	1,108.67	-	40,045.40
Rockingham County	82,848.70	-	-	82,848.70
Scott County	19,252.05	1,789.19	-	21,041.24
Shenandoah County	45,101.71	-	-	45,101.71
Smyth County	41,208.04	3,873.08	-	45,081.12
Tazewell County	5,299.72	507.92	-	5,807.64
Warren County	1,485.47	-	-	1,485.47
Washington County	12,438.12	1,153.88	-	13,592.00
Wise County	20,117.31	1,887.61	-	22,004.92
Wythe County	32,122.80	3,020.88	-	35,143.68
York County	18,683.00	-	-	18,683.00
Total	<u>\$ 1,026,802.30</u>	<u>\$ 36,415.18</u>	<u>\$ 21,120.52</u>	<u>\$ 1,084,338.00</u>

**Note 1:** The amount reported as Timber Payments in Enclosure 2 from the U. S. Department of Interior was \$928,852; whereas, the amount paid out to localities by the Commonwealth was \$1,026,802. The difference is comprised of two additional transactions provided to the Virginia Department of Education for Federal fiscal year 2007. The first transaction, totaling \$20,938, represented a payment received from the United States Army Corps of Engineers to affected localities for land acquired for flood control, navigation, and other allied purposes. The second additional transaction, totaling \$77,012, represented a payment from the United States Department of Defense to affected localities from the net proceeds of the sale of timber and lumber products. These two additional transactions, when added to the \$928,852 reported in Enclosure 2, total \$1,026,802.

**Note 2:** During Federal fiscal year 2007, the amount reported for Minerals Management Service Payments on Enclosure 2 from the Department of the Interior was \$59,118. Actual cash payments during Federal fiscal year 2007 totaled \$36,415.18, which included interest payments of \$6.97. This report does not include additional payments totaling \$22,709.76 made during October 2007, which will be in our Federal fiscal year 2008 report.

**Note 3:** FERC electronically submits Power Sales funds to the Virginia's Secretary of Administration office, who in turn transfers the funds to Virginia's Department of Education for disbursement to the localities. FERC Power Sales receipts on Enclosure 2 from the U.S. Department of the Interior was \$25,886; however, the Commonwealth did not receive this amount until October, 2007; and it is therefore undistributed at Federal fiscal year 2007 end. We will include this amount in our report for Federal fiscal year 2008.

Actual payments received and disbursed during federal fiscal year 2007 were \$21,120.52.

## **Attachment 2**

§ [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.