



Commonwealth of Virginia

Walter J. Kucharski, Auditor

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

March 20, 2002

Mr. William Howell, PILT Specialist
Budget and Finance Team
Bureau of Land Management (WO-880)
1849 C Street, 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 four copies of the following:

Attachment 1 Statement of Federal Land Payments during the period
October 1, 2000 through September 30, 2001

Attachment 2 Code of Virginia Chapter 8, Public School Funds, Article 3
§ 22.1-108, *Money derived from forest reserve*

The Timber Payments to individual localities differed from the amounts on the USDA Financial Management Report, "Payments to States from National Forest Receipts," due to correction of a prior year manual calculation error as explained in Note 1 on the Schedule of Federal Land Payments.

The amount reported for Minerals Management Service Payments will not match the amount reported in Enclosure 2 of the PILT reporting requirements. This difference results from the actual revenue received differing from the revenue reported on the PILT Enclosure 2, timing of our state's distributions to the counties, and interest income disbursed to the localities. There is an explanation in the 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 Virginia Department of Education has not disbursed these funds as of March 18, 2002. There is an explanation in the Note 3 on the Schedule of Federal Land Payments.

Should you have any questions concerning the report, please contact Joy Thorpe, Statewide Single Audit Director, at (804) 225-3350.

AUDITOR OF PUBLIC ACCOUNTS

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cc: The Honorable Mark R. Warner, Governor of Virginia
Marie Williams, Department of Education
Francis Campbell, Department of Environmental Quality

Attachment 1

COMMONWEALTH OF VIRGINIA
STATEMENT OF FEDERAL LAND PAYMENTS
For the Period October 1, 2000 through September 30, 2001

Governmental Unit	Timber Payments	Minerals Management Service Payments	FERC Power Sales	Total Recommended For Acceptance
Alleghany County	\$ 42,603	\$ 31	\$ -	\$ 42,634
Amherst County	17,392	13	-	17,405
Augusta County	58,939	46	-	58,985
Bath County	52,148	41	-	52,189
Bedford County	5,326	1,679	-	7,005
Bland County	21,349	6,660	-	28,009
Botetourt County	23,227	6,079	-	29,306
Carroll County	2,063	651	-	2,713
Craig County	33,506	10,388	-	43,894
Dickenson County	1,775	736	-	2,511
Frederick County	1,445	1	-	1,446
Giles County	17,956	5,659	-	23,615
Grayson County	9,366	2,953	-	12,319
Highland County	17,492	13	-	17,505
Lee County	3,210	1,012	-	4,222
Montgomery County	5,509	1,737	-	7,246
Nelson County	6,009	4	-	6,013
Page County	8,130	6	-	8,136
Pulaski County	5,461	1,722	-	7,183
Roanoke County	897	280	-	1,177
Rockbridge County	19,690	1,906	-	21,596
Rockingham County	41,942	31	-	41,973
Scott County	9,791	3,087	-	12,878
Shenandoah County	22,805	17	-	22,822
Smyth County	21,093	6,649	-	27,742
Tazewell County	2,776	875	-	3,651
Warren County	1,888	1	-	1,889
Washington County	6,315	1,991	-	8,306
Wise County	10,271	3,237	-	13,508
Wythe County	<u>16,528</u>	<u>5,211</u>	<u>-</u>	<u>21,739</u>
Total	<u>\$486,902</u>	<u>\$ 62,716</u>	<u>\$ 0</u>	<u>\$ 549,617</u>

Note 1: Timber Payment disbursements to localities agree in total to the PILT on Enclosure 2; however, during federal fiscal year 2001, amounts paid to localities differed from the amounts on the USDA Financial Management Report, "Payments to States from National Forest Receipts." These differences were due to a correction of a federal fiscal year 2000 manual calculation error.

Note 2: The amount reported for Minerals Management Service Payments on Enclosure 2 from the Department of the Interior was \$68,000. Actual cash payments received during federal fiscal year 2001 were \$67,590, which exceeds the amount disbursed by \$4,875 in timing differences. In addition, there

were differences in the amounts paid to localities due to the immaterial amounts due to some localities. The Department of Environmental Quality is tracking these differences for future disbursements.

Note 3: FERC electronically submits Power Sales funds to the Virginia Secretary of Administration office, who in turn transfers the funds to the Virginia Department of Education to be disbursed to the localities. The Virginia Department of Education did not realize that the money they received from the Secretary of Administration was FERC money that needed to be disbursed. Therefore, the FERC Power Sales funds have not been disbursed as of March 18, 2002.

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. (Code 1950, § 22-119; 1960, c. 463; 1980, c. 559.)