



Commonwealth of Virginia

Walter J. Kucharski, Auditor

Auditor of Public Accounts
P.O. Box 1295
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December 16, 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, 2001 through September 30, 2002

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

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 timing of our state's distributions to the counties and interest income disbursed to the localities. There is an explanation in the Note 1 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. This difference results from both federal fiscal years 2001 and 2002 funds being disbursed in 2002. There is an explanation in the Note 2 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

JHT:aom

Attachments

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

COMMONWEALTH OF VIRGINIA
STATEMENT OF FEDERAL LAND PAYMENTS
For the Period October 1, 2001 through September 30, 2002

Governmental Unit	Timber Payments	Minerals Management Service Payments	FERC Power Sales	Total Recommended For Acceptance
Alleghany County	\$ 50,696	\$ -	\$ -	\$ 50,696
Amherst County	31,606	-	155	31,761
Augusta County	107,479	-	-	107,479
Bath County	96,032	-	34,852	130,884
Bedford County	9,826	345	-	10,171
Bland County	37,987	1,370	-	39,357
Botetourt County	42,141	1,248	-	43,389
Carroll County	3,545	134	-	3,679
Craig County	60,577	2,135	-	62,712
Dickenson County	4,356	103	-	4,459
Frederick County	2,735	-	-	2,735
Giles County	19,974	1,163	-	21,137
Grayson County	10,423	607	-	11,030
Highland County	32,011	-	-	32,011
Lee County	5,977	208	-	6,185
Montgomery County	6,130	357	-	6,487
Nelson County	10,333	-	-	10,333
Page County	14,891	-	-	14,891
Pulaski County	6,077	354	-	6,431
Roanoke County	1,621	58	-	1,679
Rockbridge County	22,966	388	-	23,354
Rockingham County	77,089	-	-	77,089
Scott County	10,896	635	-	11,531
Shenandoah County	27,102	-	-	27,102
Smyth County	38,595	1,367	-	39,962
Tazewell County	3,089	180	-	3,269
Warren County	2,247	-	-	2,247
Washington County	11,650	409	-	12,059
Wise County	11,429	666	-	12,095
Wythe County	30,187	1,071	-	31,258
Total	<u>\$ 789,667</u>	<u>\$ 12,798</u>	<u>\$ 35,007</u>	<u>\$ 837,472</u>

Note 1: The amount reported for Minerals Management Service Payments on Enclosure 2 from the Department of the Interior was \$5,000. Actual cash payments received and disbursed during federal fiscal year 2002 were \$4,959 and \$12,798, respectively. The difference is due to the timing of state disbursements.

Note 2: 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. For federal fiscal year 2001, 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, 2001 and 2002 FERC Power Sales funds were disbursed during 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.)