

# County of Dare

# INVOICE

C/O Dare County Finance Department  
PO Box 1000  
Manteo, NC 27954

DATE:  
February 18, 2004

INVOICE #  
704107-660014/660114

**Bill To:**  
Town of Nags Head  
PO Box 99  
Nags Head, NC 27959

**For:**  
Reimburse ABC Profits/Mixed Beverage Tax

| DESCRIPTION   | AMOUNT       |
|---|--------------|
| Overpayment - Dare County ABC Board distribution, quarter ended June 30, 2003 | \$ 35,660.40 |
| # 10-2820-00  |              |
| <b>TOTAL</b>  | \$ 35,660.40 |

**Make all checks payable to Dare County General Fund**

If you have questions concerning this invoice, contact Sally DeFosse, 252-475-5733, E-mail [sallyd@darenc.com](mailto:sallyd@darenc.com)

**DARE COUNTY ABC BOARD  
ALLOCATION OF NET PROFITS  
For the Quarter Ended June 30, 2003**

| Total for distribution                    |                   |            |  | Total actually distributed |                     | total over-distributed |                     |
|---|-------------------|------------|--|----------------------------|---------------------|------------------------|---------------------|
| <b>Mixed beverage sales surcharge:</b>    |                   |            |  |                            |                     |                        |                     |
| Distributed as follows:                   |                   |            |  |                            |                     |                        |                     |
| County - 15%                              | 9,263.67          |            |  | 29,461.20                  |                     | 20,197.53              |                     |
| Town of Nags Head                         | 13,123.52         |            |  | 41,736.66                  |                     | 28,613.14              |                     |
| Town of Kill Devil Hills                  | 13,123.52         |            |  | 41,736.66                  |                     | 28,613.14              |                     |
| Town of Kitty Hawk                        | 13,123.52         |            |  | 41,736.66                  |                     | 28,613.14              |                     |
| Town of Duck                              | 13,123.52         | 61,757.75  |  | 41,736.66                  | 196,407.84          | 28,613.14              | 134,650.09          |
| <b>Regular Allocation of Net profit:</b>  |                   |            |  |                            |                     |                        |                     |
| Dare County Dept. of Social Services      |                   | 120,717.52 |  |                            | 402,607.68          |                        | 281,890.16          |
| Municipalities - 15% of remaining profits |                   |            |  |                            |                     |                        |                     |
| Town of Kitty Hawk                        | 3,017.74          |            |  | 10,065.00                  |                     | 7,047.26               |                     |
| Town of Kill Devil Hills                  | 3,017.74          |            |  | 10,065.00                  |                     | 7,047.26               |                     |
| Town of Manteo                            | 3,017.74          |            |  | 10,065.00                  |                     | 7,047.26               |                     |
| Town of Nags Head                         | 3,017.74          |            |  | 10,065.00                  |                     | 7,047.26               |                     |
| Town of Southern Shores                   | 3,017.74          |            |  | 10,065.00                  |                     | 7,047.26               |                     |
| Town of Duck                              | 3,017.74          | 18,106.44  |  | 10,065.00                  | 60,390.00           | 7,047.26               | 42,283.56           |
| Dare County General Fund (Balance)        |                   | 102,611.07 |  |                            | 805,215.35          |                        | 702,604.28          |
|   | <b>303,192.78</b> |            |  |                            | <b>1,464,620.87</b> |                        | <b>1,161,428.09</b> |
|   |                   |            |  |                            |                     |                        |                     |
|   |                   |            |  | <b>Detail by Agency:</b>   |                     |                        |                     |
|   |                   |            |  | County                     |                     | 1,004,691.97           |                     |
|   |                   |            |  | Town of Manteo             |                     | 7,047.26               |                     |
|   |                   |            |  | Town of Nags Head          |                     | 35,660.40              |                     |
|   |                   |            |  | Town of Kill Devil Hills   |                     | 35,660.40              |                     |
|   |                   |            |  | Town of Kitty Hawk         |                     | 35,660.40              |                     |
|   |                   |            |  | Town of Southern Shores    |                     | 7,047.26               |                     |
|   |                   |            |  | Town of Duck               |                     | 35,660.40              |                     |
|   |                   |            |  |                            |                     | <b>1,161,428.09</b>    |                     |

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SHMAY, CPA

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DARE COUNTY ABC BOARD  
ALLOCATION OF NET PROFITS  
For the Quarter Ended June 30, 2003

|  |                     |                      |
|--|---------------------|----------------------|
| Net profit for the Quarter (Schedule 1)                                  |                     | \$ 353 298.97        |
| Less: Mixed beverage sales surcharge for year                            | \$161 460.20        |                      |
| Less 55% to N.C. Department of Revenue and Department of Human Resources | <u>88 804.02</u>    |                      |
|  | 72 656.18           |                      |
| 10% for law enforcement  | <u>7 265.62</u>     |                      |
|  | 65 390.56           |                      |
| 5% for rehabilitation  | <u>3 632.81</u>     |                      |
| Balance  | <u>\$ 61 757.75</u> |                      |
| Distributed as follows:  |                     |                      |
| County - 15%   | 9 263.67            |                      |
| Town of Nags Head  | 13 123.52           |                      |
| Town of Kill Devil Hills   | 13 123.52           |                      |
| Town of Kitty Hawk   | 13 123.52           |                      |
| Town of Duck   | <u>13 123.52</u>    |                      |
| Balance  |                     | <u>61 757.75</u>     |
| Less: Retained for working capital                                       |                     | 291 541.22           |
| Amount for regular distribution  |                     | <u>7 500.00</u>      |
|  |                     | <u>\$ 284 041.22</u> |

ALLOCATION OF NET PROFIT UNDER PROVISION OF HOUSE BILL 483 NORTH CAROLINA SESSION LAWS OF 1977 AND AMENDED BY HOUSE BILL 1210 OF 1995

|  |                      |                      |
|--|----------------------|----------------------|
| Dare County Dept. of Social Services       | <u>42.5%</u>         | \$ 120 717.52        |
| ABC Board capital reserve account          | <u>15.0%</u>         | 42 606.19            |
| Municipalities - 15% of remaining profits: |                      |                      |
| Town of Kitty Hawk                         | 3 017.74             |                      |
| Town of Kill Devil Hills                   | 3 017.74             |                      |
| Town of Manteo                             | 3 017.74             |                      |
| Town of Nags Head                          | 3 017.74             |                      |
| Town of Southern Shores                    | 3 017.74             |                      |
| Town of Duck                               | <u>3 017.74</u>      |                      |
|  |                      | 18 106.44            |
| Dare County General Fund (Balance)         |                      | <u>102 611.07</u>    |
| Total Regular Allocation                   |                      | <u>\$ 284 041.22</u> |
| Regular Distribution                       | \$ 241 435.03        |                      |
| Mixed beverage sales distribution          | <u>61 757.75</u>     |                      |
| Total for distribution                     | 303 192.78           |                      |
| Retained for capital reserve               | 42 606.19            |                      |
| Retained for working capital               | <u>7 500.00</u>      |                      |
| Total for Year                             | <u>\$ 353 298.97</u> |                      |

**Dare County ABC Board  
Allocation of Net Profits  
For the Year Ended June 30, 2003**

Net profit for the Year (Schedule 1)

\$1 173 720.02

Less: Mixed beverage sales surcharge  
for year

\$ 513 484.57

Less 55% to N.C. Department of Revenue  
and Department of Human Resources

282 416.52

231 068.05

10% for law enforcement

23 106.81

207 961.24

5% for rehabilitation

11 553.40

Balance

\$ 196 407.84

Distributed as follows:

County - 15%

29 461.20

Town of Nags Head

41 736.66

Town of Kill Devil Hills

41 736.66

Town of Kitty Hawk

41 736.66

Town of Duck

41 736.66

196 407.84

Balance

977 312.18

Less: Retained for working capital

30 000.00

Amount for regular distribution

\$ 947 312.18

**ALLOCATION OF NET PROFIT UNDER PROVISION OF HOUSE BILL 483 NORTH CAROLINA SESSION LAWS OF 1977 AND  
AMENDED BY HOUSE BILL 1210 OF 1995**

Dare County Dept. of Social Services

42.5%

\$ 402 607.68

ABC Board capital reserve account

15.0%

142 096.83

Municipalities - 15% of remaining profits:

Town of Kitty Hawk

10 065.00

Town of Kill Devil Hills

10 065.00

Town of Manteo

10 065.00

Town of Nags Head

10 065.00

Town of Southern Shores

10 065.00

Town of Duck

10 065.00

60 390.00

Dare County General Fund (Balance)

342 217.67

Total Regular Allocation

\$ 947 312.18

Regular Distribution

\$ 805 215.35

Mixed beverage sales distribution

196 407.84

Total for distribution

1 001 623.19

Retained for capital reserve

142 096.83

Retained for working capital

30 000.00

Total for Year

\$1 173 720.02



COUNTY OF DARE  
DEPARTMENT OF FINANCE

MANTEO, NORTH CAROLINA 27954

J. DAVID CLAWSON, CPA  
DIRECTOR/  
ASSISTANT TO THE  
COUNTY MANAGER

P.O. BOX 1000  
PHONE (252) 473-1101  
FACSIMILE (252) 473-5668

SALLY O. DEFOSSE, CPA, CLGFO  
ASSISTANT DIRECTOR

February 18, 2004

Town of Nags Head  
PO Box 99  
Nags Head, NC 27959

During our June 30, 2003 fiscal year end audit, an error was discovered in the distribution by the Dare County ABC Board for the quarter ending June 30, 2003, which was paid to you on October 9, 2003. Amounts distributed were based on the year-to-date totals as of June 30<sup>th</sup>, instead of quarter-to-date totals as of June 30<sup>th</sup>, resulting in a large overpayment (\$1,161,428.09) to the county and towns. Enclosed is a spreadsheet which summarizes the overpayment by agency and a copy of the applicable schedules from the Dare County ABC Board financial statements.

As this large overpayment left the ABC Board with a shortage of operating funds, Dare County has fully refunded the entire overpayment (\$1,161,428.09) to the ABC Board.

We are hereby requesting that each town reimburse Dare County for your portion of the overpayment for the quarter ended June 30, 2003. Also enclosed is an invoice for your records.

If you have any questions, please do not hesitate to contact me at 475-5733. Thank you for your attention to this matter.

Yours truly,

Sally DeFosse  
Asst. Finance Director