REPORT OF THE AUDIT OF THE FORMER CARTER COUNTY CLERK

For The Year Ended
December 31, 2024

ALLISON BALL
AUDITOR OF PUBLIC ACCOUNTS
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ALLISON BALL
AUDITOR OF PUBLIC ACCOUNTS

Independent Auditor's Report

The Honorable Brandon Burton, Carter County Judge/Executive
The Honorable Debbie Johnston, Carter County Clerk
Members of the Carter County Fiscal Court

Report on the Audit of the Financial Statement

Disclaimer of Opinion

We were engaged to audit the Statement of Receipts, Disbursements, and Excess Fees - Regulatory Basis of the former Clerk of Carter County, Kentucky, for the period January 1, 2024 through December 31, 2024, and the related notes to the financial statement.

We do not express an opinion on the accompanying financial activity of the former Carter County Clerk. Because of the significance of the matters described in the Basis for Disclaimer of Opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the financial activity.

Basis for Opinion

Our basis for disclaiming is that we were unable to obtain required written management representations from the former Carter County Clerk, which results in a management-imposed scope limitation. Management is required to provide written representation to assert that they have fulfilled their responsibility for the preparation and fair presentation of the financial statement and that the information provided to the auditor is complete. Due to the former Carter County Clerk passing away, we were unable to place appropriate reliance on the information provided during the audit and, therefore, cannot reduce the risk to an acceptable level.

Responsibilities of Management for the Financial Statement

Management is responsible for the preparation and fair presentation of this financial statement in accordance with accounting practices prescribed or permitted by the laws of Kentucky to demonstrate compliance with the Commonwealth of Kentucky's regulatory basis of accounting and budget laws. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of a financial statement that is free from material misstatement, whether due to fraud or error.

In preparing the financial statement, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the former Carter County Clerk's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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AN EQUAL OPPORTUNITY EMPLOYER M/F/D

The Honorable Brandon Burton, Carter County Judge/Executive
The Honorable Debbie Johnston, Carter County Clerk
Members of the Carter County Fiscal Court

Auditor's Responsibilities for the Audit of the Financial Statement

Our responsibility is to conduct an audit of the former Carter County Clerk's financial statement in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and to issue an auditor's report. However, because of the matter described in the Basis for Disclaimer of Opinion section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the financial statement.

We are required to be independent of the former Carter County Clerk and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated August 5, 2026, on our consideration of the former Carter County Clerk's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the former Carter County Clerk's internal control over financial reporting and compliance.

Respectfully submitted,



Allison Ball
Auditor of Public Accounts
Frankfort, KY

August 5, 2026

CARTER COUNTY
MIKE JOHNSTON, FORMER COUNTY CLERK
FOURTH QUARTER FINANCIAL STATEMENT

For The Year Ended December 31, 2024

Print Date: 01/22/2025 11:48 am

Form For Budget, Cumulative Quarterly Report and Annual Settlement For Calendar Year

CARTER COUNTY

Part One - Summary and Reconciliation of All Accounts

SHOW & DESCRIBE ALL ACCOUNTS	2024 FEE ACCOUNT BUDGET ESTIMATE	2024 FEE ACCOUNT ACTUAL	GRANT ACCOUNT ACTUAL
Begining Balance Plus Receipt YTD	8,299,650	9,286,651	
Total Disbursements YTD	8,263,553	9,230,312	
Book Balance	36,097	56,339	
Bank Statement Balance		193,066	
Plus Deposit in Transit		45,313	
Less Outstanding Checks		254,634	
Less Other (Credit minus Debit)		72,594	
Reconciled Bank Balance		56,339	
Accounts Receivable as of 12/31			
Unpaid Obligations			
Excess Fees			

To the best of my knowledge the information reported herein for the quarter ended 12/31/2024 is accurate and complete.

Signature - County Clerk

1-27-2025
Date

Approve by the fiscal court on the 27th day of Jan, 20 25

Signature - County Executive/Judge

1-27-2025
Date

CARTER COUNTY
MIKE JOHNSTON, FORMER COUNTY CLERK
FOURTH QUARTER FINANCIAL STATEMENT
For The Year Ended December 31, 2024
(Continued)

CARTER COUNTY
QUARTERLY REPORT - TO DLG

Print Date: 1/22/2025 11:48 am
Page 1 of 4

Receipts Start: 01/01/2024 Receipts End: 12/31/2024 Period: 01/01/2024 thru 12/31/2024 using payment for accounts: 24G - 24G

Description	2024 Budget	JAN - MAR	APR - JUN	JUL - SEP	OCT - DEC	YEAR TO DATE
DETAIL OF ALL REVENUES RECEIVED						
FEDERAL GRANTS/REIMBURSEMENTS						
STATE GRANTS						
Revenue Supplement						
State Advancement	$80,000	$60,000.00				$60,000.00
Libraries and Archives						
STATE FEES FOR SERVICES	$13,000					
Tax Bill Preparation						
Registration of Voters			$112.50			$112.50
Reimbursements:						
Election/Bd Tax Appeal Reimburs						
Delinquent Tax Commission						
FISCAL COURT	$15,000					
Tax Bill Preparation Fee			$5,556.30			$5,556.30
Registration of Voters						
Real Estate Conveyance for PVA						
Fiscal Court Clerk						
Fiscal Court Loan Payment				$15,000.00		$15,000.00
Reimbursements:						
County Reimbursement						
Election Expense Reimbursement				$9,725.00	$12,945.64	$22,670.64
LICENSES AND TAXES						
Motor Vehicle:						
Licenses and Transfers	$1,069,000	$378,667.35	$322,787.47	$227,131.62	$197,626.36	$1,126,212.80
Usage Tax	$3,262,000	$997,505.24	$1,142,675.15	$891,384.94	$898,587.23	$3,930,152.56
Notary Fees	$10,000	$2,044.75	$2,627.00	$4,393.00	$3,993.00	$13,057.75
Tangible Property Tax (Motax)	$3,076,500	$919,468.83	$865,561.94	$764,156.79	$670,698.16	$3,219,885.72
Lien Fee	$25,000	$4,652.00	$7,888.00	$6,232.00	$5,096.00	$23,868.00
Sheriff's Inspections	$2,000	$590.00	$710.00	$290.00		$1,590.00
Licenses:						
Handicap Placards	$2,600	$550.00	$710.00	$850.00	$710.00	$2,820.00
Marriage	$8,400	$1,080.00	$2,280.00	$2,040.00	$2,120.00	$7,520.00
Occupational						
Registration Certificate	$2,000	$261.00	$789.00	$1,414.00	$1,520.00	$3,984.00
Deed Transfer Tax	$63,000	$10,388.00	$11,840.50	$21,483.00	$14,565.00	$58,276.50
Delinquent Taxes	$325,000	$9,780.38	$112,882.76	$240,856.46	$9,166.22	$372,685.82
FEES COLLECTED FOR SERVICES						
Recordings:						
Chattel Mortgages & Financing Stm	$88,000	$18,089.00	$23,498.00	$22,980.00	$19,506.00	$84,073.00
Deeds, Easements, and Contracts	$41,000	$8,412.00	$8,263.00	$10,240.00	$9,096.00	$36,011.00
Power of Attorney	$3,000	$888.00	$793.00	$885.00	$964.00	$3,530.00
Real Estate Mortgages	$46,000	$8,764.00	$8,834.00	$11,198.00	$9,358.00	$38,154.00
All Other Recordings	$45,000	$8,773.00	$8,857.00	$10,862.00	$9,307.00	$37,799.00
Document Storage Fees	$41,000	$7,380.00	$7,480.00	$8,220.00	$7,990.00	$31,070.00
Affordable Housing Trust Fund	$24,000	$4,224.00	$4,080.00	$4,578.00	$4,440.00	$17,322.00

CARTER COUNTY
MIKE JOHNSTON, FORMER COUNTY CLERK
FOURTH QUARTER FINANCIAL STATEMENT
For The Year Ended December 31, 2024
(Continued)

CARTER COUNTY
QUARTERLY REPORT - TO DLG

Print Date: 1/22/2025 11:48 am
Page 2 of 4

Receipts Start: 01/01/2024 Receipts End: 12/31/2024 Period: 01/01/2024 thru 12/31/2024 using payment for accounts: 24G - 24G

Description	2024 Budget	JAN - MAR	APR - JUN	JUL - SEP	OCT - DEC	YEAR TO DATE
Income for Other Services:						
Candidate Filing Fees	$200	$20.00	$910.00	$50.00	$50.00	$1,030.00
Copies	$11,000	$1,222.25	$1,291.00	$1,469.98	$1,629.96	$5,613.19
Postage	$16,000	$737.37	$847.83	$907.98	$775.80	$3,268.98
Miscellaneous						
DTAX Sale Registration Fees	$1,100		$30.00	$900.00	$5.00	$935.00
Refunds/Overpayments	$27,000	$3,966.74	$9,906.93	$27,815.80	$10,642.66	$52,332.13
NSF Checks Less Redeposits	$2,500	($203.48)	($695.40)	$399.49	($1,123.52)	($1,622.91)
Prior Year Account Transfers		$518.00	$100.00	$22,044.39	$82,868.51	$105,530.90
Interest Earned	$350	$132.86	$171.05	$173.40	$113.75	$591.06
Accounts Receivable Credit Memos						
Misc Income/Refunds/Bank Credit Me		$25.00	$100.00	$30.00	$11,372.95	$11,527.95
Misc Income/Refunds/Bank Credit Me		$57.49	$1.20		$130.02	$188.71
Cash Drawer Transactions		$5.29		($100.90)	($0.03)	($95.64)
Outstanding Accounts Receivable		($20,910.91)	$2,412.25	$13,472.64	$1,026.42	($3,999.60)
Uncollectible Accounts						
TOTAL REVENUES	$8,299,650	$2,427,088.16	$2,553,300.48	$2,321,082.59	$1,985,180.13	$9,286,651.36

CARTER COUNTY
MIKE JOHNSTON, FORMER COUNTY CLERK
FOURTH QUARTER FINANCIAL STATEMENT
For The Year Ended December 31, 2024
(Continued)

CARTER COUNTY
QUARTERLY REPORT - TO DLG

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Page 3 of 4

Receipts Start: 01/01/2024 Receipts End: 12/31/2024 Period: 01/01/2024 thru 12/31/2024 using payment for accounts: 24G - 24G

Description	2024 Budget	JAN - MAR	APR - JUN	JUL - SEP	OCT - DEC	YEAR TO DATE
DETAIL OF ALL DISBURSEMENTS						
PAYMENTS TO STATE						
Motor Vehicle:						
Licenses & Transfers	$784,000	$188,524.57	$319,667.75	$160,862.02	$135,515.25	$804,569.59
Usage Tax	$3,212,000	$958,203.35	$1,098,296.10	$884,961.83	$885,093.54	$3,826,554.82
Usage Tax Makeup						
Tangible Personal Prop Tax	$1,200,000	$211,989.99	$492,148.67	$424,315.36	$278,730.64	$1,407,184.66
Licenses:						
Handicap Placard	$2,000	$376.00	$560.00	$752.00	$296.00	$1,984.00
Delinquent Tax	$35,250	$372.73	$6,996.41	$37,268.82	$6,695.39	$51,333.35
Legal Process Tax	$24,672	$3,145.34	$6,190.32	$8,591.68	$5,729.57	$23,656.91
Affordable Housing Trust Fund	$19,000		$4,224.00	$8,658.00	$4,440.00	$17,322.00
Candidate Filing Fees						
State Advancement Repayment	$80,000			$60,000.00		$60,000.00
PAYMENTS TO COUNTY						
AdValorem Tax Distributions	$160,000	$29,184.22	$54,618.58	$55,276.53	$38,657.09	$177,736.42
Delinquent Tax	$26,750	$342.19	$5,112.44	$26,610.77	$924.97	$32,990.37
Deed Transfer Tax	$65,000	$7,036.64	$10,208.70	$17,680.92	$13,836.75	$48,763.01
Tax Bill Prep	$11,000					
Fiscal Court Payment						
Miscellaneous Licenses						
PAYMENTS TO OTHER DISTRICTS						
AdValorem Tax Distributions:	$1,350,000					
Carter Co Health Department		$22,150.76	$41,474.59	$41,975.06	$29,351.10	$134,951.51
Carter Co Bd of Ed		$173,611.23	$324,923.09	$328,840.75	$229,972.41	$1,057,347.48
Carter Co Extension Service		$8,130.64	$15,214.99	$15,397.84	$10,769.15	$49,512.62
City of Grayson		$6,283.03	$13,137.56	$12,497.94	$7,454.89	$39,373.42
Carter Co Ambulance		$36,939.40	$69,134.43	$69,975.43	$48,934.95	$224,984.21
Delinquent Tax	$185,000					
Carter Co Health Dept		$187.71	$3,613.29	$13,369.21	$244.87	$17,415.08
Carter Co Bd of Ed		$1,499.49	$28,710.37	$105,312.95	$2,580.08	$138,102.89
Carter Co Extension		$142.77	$2,646.02	$9,690.83	$240.31	$12,719.93
City of Grayson						
Carter Co Ambulance		$313.20	$6,049.01	$22,334.18	$626.18	$29,322.57
PAYMENTS TO SHERIFF						
Delinquent Tax	$21,000	$332.85	$6,619.25	$25,214.52	$700.88	$32,867.50
Inspections	$2,000	$335.00	$730.00	$525.00		$1,590.00
PAYMENTS TO COUNTY ATTORNEY	$32,000					
Delinquent Tax		$607.18	$7,574.04	$32,551.25	$1,637.77	$42,370.24
Storage Fees to Fiscal Court	$41,000	$4,840.00	$7,740.00	$10,470.00	$7,990.00	$31,040.00
Total Required Payments	$7,250,672	$1,654,548.29	$2,525,589.61	$2,373,132.89	$1,710,421.79	$8,263,692.58
PERSONNEL SERVICES						
County Clerk`s Salary	$112,068	$30,172.17	$25,861.86	$46,931.48	$34,073.17	$137,038.68
County Clerk`s Expense Allowance	$3,600	$900.00	$900.00	$600.00	$900.00	$3,300.00
Deputies Gross Salaries	$354,000	$87,931.62	$79,030.31	$91,139.27	$74,712.27	$332,813.47
Part Time Gross Salaries	$26,000			$261.00	$300.02	$561.02

CARTER COUNTY
MIKE JOHNSTON, FORMER COUNTY CLERK
FOURTH QUARTER FINANCIAL STATEMENT
For The Year Ended December 31, 2024
(Continued)

CARTER COUNTY
QUARTERLY REPORT - TO DLG

Print Date: 1/22/2025 11:48 am
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Receipts Start: 01/01/2024 Receipts End: 12/31/2024 Period: 01/01/2024 thru 12/31/2024 using payment for accounts: 24G - 24G

Description	2024 Budget	JAN - MAR	APR - JUN	JUL - SEP	OCT - DEC	YEAR TO DATE
Overtime Gross	$6,000	$1,406.14	$2,016.25	$346.90	$2,134.88	$5,904.17
EMPLOYEE BENEFITS						
Employer`s Match Social Security	$40,000	$9,211.35	$6,968.88	$2,531.57	$8,577.18	$27,288.98
Employer`s Match - Retirement	$110,000	$28,103.68	$21,261.89	$6,471.04	$22,098.90	$77,935.51
Employer`s Paid Insurance	$170,000	$36,324.86	$36,092.85	$48,123.80	$30,338.26	$150,879.77
Training Fringe Benifit	$4,137		$5,282.68			$5,282.68
CONTRACTED SERVICES						
Advertising	$2,000	$293.37	$699.60			$992.97
Equipment Repairs	$4,500					
Computer Software and Support	$32,500	$10,361.00	$11,334.00	$11,334.00	$11,334.00	$44,363.00
Equipment Lease	$15,096	$745.13	$951.14	$1,003.91	$723.39	$3,423.57
Office Equipment	$10,000					
Employee Training Programs			$260.00		$910.00	$1,170.00
SUPPLIES AND MATERIALS						
Office Supplies	$14,000	$2,353.95	$4,633.43	$1,487.41	$9,423.64	$17,898.43
REFUNDS/RETURNED CHECKS						
Refunds	$30,000	$3,833.70	$9,914.81	$28,086.33	$10,433.71	$52,268.55
NSF Checks	$5,000					
OTHER CHARGES						
Telephone	$3,500					
Rent	$5,500	$1,231.95	$1,231.95	$1,231.95	$422.97	$4,118.82
Office Repairs	$20,000					
Postage	$8,000	$1,000.00	$1,608.96	$3,500.00		$6,108.96
Bank Service Charges	$130	$7.50			$70.72	$78.22
Miscellaneous Bank Transactions	$2,000					
Transfer of Funds-previous yr funds		$626.00	$100.00	$9,530.13	$59,126.35	$69,382.48
Certificate of Deposit						
Clerk`s Insurance & Bonds	$600	$209.71			$641.34	$851.05
Miscellaneous Clerk Office Expense	$10,000	$1,771.01	$1,807.86	$1,953.90	$3,506.96	$9,039.73
Election Expense	$14,000		$2,846.97	$1,783.73	$4,324.64	$8,955.34
Dues and Memberships	$2,250		$100.00	$750.00	$2,450.00	$3,300.00
Conventions and Travel	$8,000	$533.20	$735.90	$1,612.80	$782.17	$3,664.07
Total Official Expenses	$1,012,881	$217,016.34	$213,639.34	$258,679.22	$277,284.57	$966,619.47
Clerk`s Final Settlement						
TOTAL DISBURSEMENTS	$8,263,553	$1,871,564.63	$2,739,228.95	$2,631,812.11	$1,987,706.36	$9,230,312.05

Revenue/Expenditure totals may not be exact due to individual line item cents truncation during computation

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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND
ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF THE FINANCIAL
STATEMENT PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

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ALLISON BALL
AUDITOR OF PUBLIC ACCOUNTS

Report On Internal Control Over Financial Reporting And
On Compliance And Other Matters Based On An Audit Of The Financial
Statement Performed In Accordance With *Government Auditing Standards*

Independent Auditor's Report

The Honorable Brandon Burton, Carter County Judge/Executive
The Honorable Debbie Johnston, Carter County Clerk
Members of the Carter County Fiscal Court

We were engaged to audit the financial statement of the former Carter County Clerk, for the period ended December 31, 2024, and have issued our report thereon dated August 5, 2026. The former Carter County Clerk's financial activity is prepared on a regulatory basis of accounting, which demonstrates compliance with the Commonwealth of Kentucky's regulatory basis of accounting and budget laws, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our report disclaims an opinion on the financial statement because we were unable to obtain written management representation.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statement, we considered the former Carter County Clerk's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of the former Carter County Clerk's internal control. Accordingly, we do not express an opinion on the effectiveness of the former Carter County Clerk's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statement will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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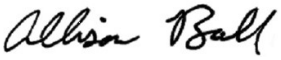
Report on Compliance And Other Matters

As part of obtaining reasonable assurance about whether the former Carter County Clerk's financial statement is free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statement However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully submitted,



Allison Ball
Auditor of Public Accounts
Frankfort, KY

August 5, 2026