



Town of Duncan

506 SE Old West Highway

Duncan, AZ 85534

(928) 359-2791

Fax: (928) 359-9146

REVISED Notice of Pending Financial Statement Filing

Date March 31, 2026

Arizona Revised Statutes (A.R.S.) §9-481 requires cities and towns to file a copy of their financial statements with the Office of the Auditor General pursuant to A.R.S. §41-1279.07 within 9 months after the close of each fiscal year. These financial statements must be posted in a prominent location on the City's or Town's official website within seven business days of filing the reports with the Auditor General.

This form is posted on our website in place of the financial statements until the financial statements are filed with the Office of the Auditor General. A copy of this form has been sent to the Office of the Auditor General, the Speaker of the House of Representatives, and the President of the Senate.

If the financial statements are not completed as prescribed, on or before the adoption process of our budget pursuant to A.R.S. §42-17103 and §42-17105, this form will be published in the budget for the subsequent fiscal year to notify taxpayers that the required financial statements are pending, the reasons for the delay, and the estimated date of completion. Entity name: Fiscal reporting year: Reasons for delayed report(s):

Entity name: Town of Duncan, Arizona

Fiscal reporting year: 2022 & 2023 & 2024 & 2025

Reasons for delayed report(s): The Town has been through two Interim Town Managers since August 2021 and finally was able to get a permanent Town Manager in August of 2022. The financials for FY2022 had numerous errors and the Town with the Financial Consultant has been in the process of preparing the general ledger for the FY2022 audit but it has been difficult due to the number of errors found. The FY21 audit is now completed and submitted. The Town was currently within weeks of completing the financials for the FY22 Audit but unfortunately ran across a major issue with the utility funds. In FY22, a new Cash Receipting module was implemented in March of 2022. Prior to that all cash receipts were entered manually by journal entries by staff that were not well versed in accounting or the utility management system. Caselle, which is the financial software system for the Town, came in and made numerous changes to the recording of receivables, billing, payments and adjustments that impacted both the utility management system and the general ledger and the people that were there at the time when this was done, is no longer there. This has caused huge discrepancies in the balances between the general ledger and utility management that we are trying to reconcile. We have reached out to Caselle to assist us in getting this corrected as well as the auditors. Since the last notice was posted, the auditors did come out in September of 2025, however they ran into problem with the payroll liabilities that impacted the bank reconciliation. Much had been corrected in FY23 and FY24, but we were requested to bring the corrections back to FY22. In doing so, we ran into additional payroll issues that required deeper research and corrections. As a result, we realized the depth of how many mistakes in payroll were made due to inexperienced staff with payroll and Caselle. We anticipate to get payroll



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liabilities/bank reconciliations corrected and to the auditors by April 2026 and if so they will have the FY22 audit completed by the end of April or beginning of May 2026. The auditors are basically only waiting on the payroll liability entries and can quickly finish up the FY22 audit within weeks.

Once the 2022 audit is submitted to the auditors, the Town will begin work on FY2023 Audit which is in much better shape due to the hiring of the permanent Town Manager and his finance staff. The FY23 audit is estimated to be completed by June of 2026. After that, the FY24 audit will begin and is estimated to be completed July and August of 2026 and the FY25 audit will be completed by October 2026.

Estimated date of completion: For all four audits by October 2026.

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