



CITY OF KINGMAN COMMUNICATION TO COUNCIL

TO: Honorable Mayor and City Council

FROM: Tina Moline

MEETING DATE: January 20, 2026

AGENDA SUBJECT: Public Hearing on the FY2024 and FY2025 Development Fee Biennial Audit Report

SUMMARY:

In FY2022, the City of Kingman (City) began charging fire, police, parks and streets development fees. Arizona Revised Statutes (A.R.S.) § 9-463.05 contains statutory guidance, restrictions, and requirements governing the assessment, collection, and reporting of development fees.

One of the reporting options allowed within the state statute and adopted as part of City's development fee ordinance (Ord. 1928) is to provide for a biennial, certified audit of the City's Land Use Assumptions (LUA), Infrastructure Improvements Plan (IIP) and development fees.

Such audit must be conducted by one or more Qualified Professionals who are not employees or officials of the City and who did not prepare the Infrastructure Improvements Plan.

The City hired Willdan Financial Services to conduct the FY2024 and FY2025 biennial, certified audit of the City's development fees. A.R.S. § 9-463.05 requires that the City conduct a public hearing on the audit within sixty days of the release of the audit to the public.

The audit report provides a summary for each development fee the City assesses, and there are no significant findings or material weaknesses noted. The overall results of the audit report are as follows:

- Kingman's Biennial Development Fees for the periods FY2024 and FY2025 comply with ARS§ 9-463.05;
- With respect to ARS§ 9-463.05 compliance:
 - Willdan's review of the progress of the LUA, identified differences between projected and actual development, but anticipates the development over the 10-year study period will not significantly vary from projections;
 - Willdan's review of the progress of the IIP identified projects that were delayed based on funding needs as compared to the projected schedule, but projects

- included in the adopted IIP will be completed as funding allows;
- Willdan's review of collections and expenditures of the development fees for each project in the plan, indicate that all collections were appropriately tracked; and,
 - Willdan's evaluation of any inequities in implementing the plan or imposing the development fees indicates that the fees were assessed in an appropriate manner based upon the size and type of development.

FISCAL IMPACT:

The fiscal impact of conducting the biennial, certified audit was \$9,500.

STAFF RECOMMENDATION:

Staff recommends Council hold the public hearing to allow an opportunity for the public to respond.

SUGGESTED MOTION:

None.

ATTACHMENTS:

[Kingman - Final DF Audit - December 1 2025.pdf](#)