

March 17, 2026

To the Honorable Mayor  
and the City Council  
of the City of Denton, Texas

We have audited the financial statements of the City of Denton, Texas (the "City") as of and for the year ended September 30, 2025, and have issued our report thereon dated March 17, 2026. Professional standards require that we advise you of the following matters relating to our audit.

### **Our Responsibility in Relation to the Financial Statement Audit**

As communicated in our engagement letter dated June 30, 2025, our responsibility, as described by professional standards, is to form and express an opinion about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of the system of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, as part of our audit, we considered the system of internal control of the City solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

### **Planned Scope and Timing of the Audit**

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

### **Compliance with All Ethics Requirements Regarding Independence**

The engagement team, others in our firm, as appropriate, our firm, and our network firms have complied with all relevant ethical requirements regarding independence.

### ***Significant Risks Identified***

We have identified the following significant risks during the performance of our risk assessment procedures:

- Management override of internal controls
  - Note: This is a presumed risk on all audit engagements
- Risk of improper revenue recognition
  - Charges for services (utilities)
  - Grants (federal and state)

No audit findings were noted from the results of our work performed.

## **Qualitative Aspects of the Entity's Significant Accounting Practices**

### Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by City is included in Note I to the financial statements. There have been no initial selection of accounting policies and no changes in significant accounting policies or their application during the year ended September 30, 2025 that had a material effect. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

### Significant Accounting Estimates and Related Disclosures

Accounting estimates and related disclosures are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments.

The most sensitive accounting estimates affecting the financial statements are management's estimate of the allowance for doubtful accounts, useful lives of depreciable assets, net pension liability, landfill closure/postclosure liability, other post-employment benefits (OPEB) liability, and incurred but not reported (IBNR) liabilities for workers compensation claims, general liability claims, and health insurance claims.

The fair value of derivative instruments is provided by a third-party derivative consultant. The net pension and OPEB liabilities are based on actuarial calculations provided by TMRS.

The estimate for the closure/postclosure landfill liability is based on calculations provided by City staff based on initial estimates determined by independent third parties.

IBNR liabilities are based on calculations performed by independent third parties. Allowances for doubtful accounts are calculated based on historical collection rates.

Useful lives of depreciable assets are determined by management and compared to other comparable assets held by the City and other similar entities.

We have evaluated the key factors and assumptions used to development these estimates in determining that they are reasonable in relation to the financial statements taken as a whole.

### Financial Statement Disclosures

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the City's financial statements related to the pension and OPEB plans.

## **Significant Difficulties Encountered during the Audit**

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

### **Uncorrected and Corrected Misstatements**

For purposes of this communication, professional standards also require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole and each applicable opinion unit. There were no material corrected or uncorrected financial statement misstatements to report.

### **Disagreements with Management**

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the City's financial statements or the auditor's report. No such disagreements arose during the course of the audit.

### **Representations Requested from Management**

We have requested and received certain written representations from management on March 17, 2026.

### **Management's Consultations with Other Accountants**

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

### **Other Significant Matters, Findings, or Issues**

In the normal course of our professional association with the City, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, significant events or transactions that occurred during the year, operating and regulatory conditions affecting the entity, and operational plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as City's auditors.

### **Other Information Included in the Annual Comprehensive Financial Report (ACFR)**

Pursuant to professional standards, our responsibility as auditors for other information, whether financial or non-financial, included in the City's ACFR, does not extend beyond the information identified in the audit report, and we are not required to perform any procedures to corroborate such other information.

However, in accordance with such standards, we have:

- Applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements.
- Applied certain audit procedures to the combining individual and nonmajor fund financial statements and schedules in accordance with auditing standards generally accepted in the United States of America, which consisted of procedures applied in the audit of the basic financial statements or to the basic financial statements themselves, and other additional procedures.
- Read the introductory and statistical sections and considered whether such information, or the manner of their presentation, were materially inconsistent with their presentation in the financial statements.

Our responsibility also includes communicating to you any information which we believe is a material misstatement of fact. Nothing came to our attention that caused us to believe that such information, or its manner of presentation, is materially inconsistent with the information, or manner of its presentation, appearing in the financial statements.

This report is intended solely for the information and use of the City Council and management of the City and is not intended to be and should not be used by anyone other than these specified parties.

*Weaver and Tidwell, L.L.P.*

WEAVER AND TIDWELL, L.L.P.  
Dallas, Texas