

**City of Denton, Texas**

Federal and State Single Audit Reports

Year Ended September 30, 2025



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**Independent Auditor's Report on Internal Control over Financial Reporting  
and on Compliance and Other Matters Based on an Audit of Financial  
Statements Performed in Accordance with *Government Auditing Standards***

The Honorable Mayor and  
Members of the City Council  
of the City of Denton, Texas

We have audited, in accordance with the 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, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Denton, Texas, (the City), as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated March 17, 2026.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City'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 a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements 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 or significant deficiencies may exist that have not been identified.

**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the City's financial statements are free from 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 statements. 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*.

The Honorable Mayor and  
Members of the City Council  
of the City of Denton, Texas

**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.

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

WEAVER AND TIDWELL, L.L.P

Dallas, Texas  
March 17, 2026

**Independent Auditor's Report on Compliance for  
Each Major Federal and State Program, Report on Internal Control over Compliance,  
and Report on Schedule of Expenditures of Federal and State Awards  
Required by the Uniform Guidance and the  
State of Texas Grant Management Standards**

The Honorable Mayor and  
Members of the City Council  
of the City of Denton, Texas

**Report on Compliance for Each Major Federal and State Program**

**Opinion on Each Major Federal and State Program**

We have audited City of Denton, Texas (the City)'s compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* and Texas Grant Management Standards (TxGMS) issued by the Texas Comptroller of Public Accounts Statewide Procurement Division that could have a direct and material effect on each of the City's major federal and state programs for the year ended September 30, 2025. The City's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended September 30, 2025.

**Basis for Opinion on Each Major Federal and State Program**

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and Texas Grant Management Standards (TxGMS). Our responsibilities under those standards, the Uniform Guidance, and TxGMS are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal and state program. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

**Responsibilities of Management for Compliance**

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the City's federal and state programs.

The Honorable Mayor and  
Members of the City Council  
of the City of Denton, Texas

### **Auditor's Responsibilities for the Audit of Compliance**

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance, and TxGMS will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of each major federal and state program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance, and TxGMS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance and TxGMS, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### **Report on Internal Control Over Compliance**

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

The Honorable Mayor and  
Members of the City Council  
of the City of Denton, Texas

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and TxGMS. Accordingly, this report is not suitable for any other purpose.

**Report on Schedule of Expenditures of Federal and State Awards Required by the Uniform Guidance and TxGMS**

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated March 17, 2026, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal and state awards is presented for purposes of additional analysis as required by the Uniform Guidance and TxGMS and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal and state awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

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

WEAVER AND TIDWELL, L.L.P

Dallas, Texas  
March 17, 2026

# City of Denton, Texas

## Schedule of Expenditures of Federal and State Awards

### For the Year Ended September 30, 2025

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM TITLE	FEDERAL ASSISTANCE LISTING NUMBER	GRANT I.D.NUMBER	EXPENDITURES	PASSED THROUGH TO SUBRECIPIENTS
<b>FEDERAL AWARDS</b>				
<u>U.S. Department of Housing and Urban Development</u>				
Direct Awards:				
Community Development Block Grant	14.218	B-19-MC-48-0036	\$ 67,416	\$ -
Community Development Block Grant	14.218	B-21-MC-48-0036	119,564	107,116
Community Development Block Grant	14.218	B-23-MC-48-0036	58,259	-
Community Development Block Grant	14.218	B-24-MC-48-0036	848,739	118,496
COVID-19 - Community Development Block Grant CARES	14.218	B-20-MC-48-0036	10,453	-
Subtotal - CDBG - Entitlement Grants Cluster			1,104,431	225,612
Home Investment Partnerships Program	14.239	M-20-MC-48-0223	120,634	-
Home Investment Partnerships Program	14.239	M-21-MC-48-0223	64,532	-
Home Investment Partnerships Program	14.239	M-24-MC-48-0223	47,199	-
ARP Home Investment Partnerships Program	14.239	M-21-MP-48-0223	814,150	814,150
Subtotal - Assistance Listing # 14.239			1,046,515	814,150
Total U.S. Department of Housing and Urban Development			2,150,946	1,039,762
<u>U.S. Department of Justice</u>				
Direct Awards:				
U.S. Marshals Violent Offenders Task Force	16.000	VOTF	11,167	-
North Texas Organized Crime Task Force	16.000	NTOCTF	19,331	-
Subtotal - Assistance Listing # 16.000			30,498	-
BJA Edward Byrne Memorial Justice Assistance Grant	16.738	15PBJA-22-GG-02269-JAGX	21,796	21,796
BJA Edward Byrne Memorial Justice Assistance Grant	16.738	15PBJA-23-GG-03829-JAGX	9,075	5,481
Subtotal - Assistance Listing # 16.738			30,871	27,277
Equitable Sharing Program	16.922	TX0610200	232,917	-
The Patrick Leahy Bulletproof Vest Program	16.607	2023BOBX23036853	4,196	-
Passed through Denton County Friend of the Family Improving Criminal Justice Responses	16.590	15JOVW-21-GG-02041-ICJR	35,254	-
Total U.S. Department of Justice			333,736	27,277
<u>U.S. Department of Transportation</u>				
Passed through Texas Department of Transportation:				
Green Ribbon Landscaping Improvements Program	20.205	2681-01-026	38,558	-
Green Ribbon HW 377 Landscaping Enhancement	20.205	0081-04-045	357,469	-
School Connection Sidewalks	20.205	0918-46-267	64,129	-
Safe Routes to School-Ginnings Elementary School & Lee Elementary School	20.205	0918-46-305	129,937	-
Bonnie Brae From Windsor Drive to US 77	20.205	0918-46-319	3,405,949	-
Subtotal - Assistance Listing # 20.205			3,996,042	-
National Priority Safety Programs	20.616	2025-DentonPD-PG-00002	90,601	-
National Priority Safety Programs	20.616	2025-DentonPD-IDM-00011	26,147	-
Subtotal - Highway Safety Cluster			116,748	-
Total U.S. Department of Transportation			4,112,790	-
<u>U.S. Department of Treasury</u>				
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A	5,216,739	365,405
Total U.S. Department of Treasury			5,216,739	365,405

The Notes to the Schedule of Expenditures of Federal and State Awards are an integral part of this schedule.

# City of Denton, Texas

## Schedule of Expenditures of Federal and State Awards - Continued For the Year Ended September 30, 2025

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM TITLE	FEDERAL ASSISTANCE LISTING NUMBER	GRANT I.D.NUMBER	EXPENDITURES	PASSED THROUGH TO SUBRECIPIENTS
<u>Institute of Museum and Library Services</u>				
Passed through Texas State Library and Archives Commission (TSLAC):				
Interlibrary Loan Program	45.310	LS-253655-OLS-23	6,960	-
Special Projects 75 2025	45.310	LS-256843-OLS-24	74,597	-
Total Institute of Museum and Library Services			81,557	-
<u>U.S. Department of Homeland Security</u>				
Direct Awards:				
Staffing for Adequate Fire and Emergency Response (SAFER) Grant	97.083	EMW-2020-FF-00715	49,350	-
Staffing for Adequate Fire and Emergency Response (SAFER) Grant	97.083	EMW-2021-FF-01282	1,676,153	-
Staffing for Adequate Fire and Emergency Response (SAFER) Grant	97.083	EMW-2022-FF-01860	815,234	-
Subtotal - Assistance Listing # 97.083			2,540,737	-
Passed through Texas A&M Engineering Extension Office:				
National Urban Search & Rescue Response System	97.025	47-100-769	71,178	-
Passed through Texas Division of Emergency Management (TDEM):				
Disaster Grants-Public Assistance-Summer Fire Weather 2024	97.036	N/A	117	-
Disaster Grants-Public Assistance-Wildfire Season 2025 ST125	97.036	N/A	94,339	-
Disaster Grants-Public Assistance-Wildfire Season 2025 ST128	97.036	N/A	17,013	-
Disaster Grants-Public Assistance-Crabapple FMAG	97.036	N/A	5,451	-
Subtotal - Assistance Listing # 97.036			116,920	-
Passed through Office of the Governor - Homeland Security Grants Division:				
UASI-SWAT Helmets & Communication Devices	97.067	EMW-2023-SS-00025	1,357	-
2024 UASI-HAZMAT	97.067	EMW-2024-SS-05096	98,642	-
2024 UASI-SWAT	97.067	EMW-2024-SS-05096	31,309	-
Subtotal - Assistance Listing # 97.067			131,308	-
Total U.S. Department of Homeland Security			2,860,143	-
<u>U.S. Department of the Interior</u>				
Passed through Texas Parks and Wildlife Department				
Villages of Carmel Park Property	15.916	48-01241	83,900	-
Total U.S. Department of the Interior			83,900	-
<u>Federal Aviation Administration</u>				
Passed through Texas Department of Transportation Aviation Division:				
COVID-19 Airport Coronavirus Relief Grant	20.106	21TWDENTN	34,162	-
Airport Master Plan	20.106	24MPDNTON	553,420	-
Total Federal Aviation Administration			587,582	-
<u>U.S. Department of Agriculture</u>				
Passed through Texas A&M Forest Service				
Community Forestry Program	10.664	CO-24-172	20,000	-
Total U.S. Department of Agriculture			20,000	-
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			<b>\$ 15,447,393</b>	<b>\$ 1,432,444</b>

The Notes to the Schedule of Expenditures of Federal and State Awards are an integral part of this schedule.

# City of Denton, Texas

## Schedule of Expenditures of Federal and State Awards – Continued For the Year Ended September 30, 2025

STATE GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM TITLE	GRANT I.D. NUMBER	EXPENDITURES	PASSED THROUGH TO SUBRECIPIENTS
<b>STATE AWARDS</b>			
<u>Office of the Texas Attorney General</u>			
Chapter 59 Asset Forfeiture Award	N/A	\$ 266,538	\$ -
Total Office of the Texas Attorney General		266,538	-
<u>Texas Department of Transportation</u>			
Airport Maintenance Grant	M2418DNTO	99,359	-
RTR-Bonnie Brae Road - From IH35 East to US 377	0918-46-245	7,159,997	-
RTR-Hickory Creek Road Project	0918-46-290	681	-
RTR-Hickory Creek FM 1830 to Riverpass Drive	0918-46-332	177,249	-
Total Regional Toll Revenue (RTR) Transportation Projects		7,337,927	-
Total Texas Department of Transportation		7,437,286	-
<u>Texas Intrastate Fire Mutual Aid System</u>			
Training Tuition Grant	N/A	1,635	-
Total Texas Intrastate Fire Mutual Aid System		1,635	-
<u>Texas Commission on Environmental Quality</u>			
Passed through North Central Texas Council of Governments:			
Solid Waste Implementation Grant	22-04-02	65,027	-
Solid Waste Implementation Grant	22-04-03	79,000	-
Solid Waste Implementation Grant	582-24-50093	47	-
Total Texas Commission on Environmental Quality		144,074	-
<u>Texas Comptroller of Public Accounts</u>			
Police-Law Enforcement Officer Standards & Education	N/A	3,180	-
Total Texas Comptroller of Public Accounts		3,180	-
<u>Texas Commission on the Arts</u>			
High Quality Arts Programming - TCA Halloween Grant	N/A	44,686	-
Total Texas Commission on the Arts		44,686	-
<u>Texas State Library and Archives Commission (TSLAC)</u>			
Interlibrary Loan Program	904223	8,550	-
Total Texas State Library and Archives Commission		8,550	-
<b>TOTAL EXPENDITURES OF STATE AWARDS</b>		<b>\$ 7,905,949</b>	<b>\$ -</b>
<b>TOTAL EXPENDITURES OF FEDERAL AND STATE AWARDS</b>		<b>\$ 23,353,342</b>	<b>\$ 1,432,444</b>

The Notes to the Schedule of Expenditures of Federal and State Awards are an integral part of this schedule.

# City of Denton, Texas

## Notes to Schedule of Expenditures of Federal and State Awards

### **Note 1. General**

The accompanying Schedule of Expenditures of Federal and State Awards presents the activity of all applicable federal and state awards of City of Denton, Texas (the City). The City's reporting entity is defined in Note 1 to the City's basic financial statements. Federal and state awards received directly from federal and state agencies as well as federal awards passed through other government agencies are included on the schedule of expenditures of federal and state awards (the schedule). The information in the schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and Texas Grant Management Standards (TxGMS). Because the schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position of the City.

### **Note 2. Basis of Accounting**

The accompanying schedule is presented using the modified accrual basis of accounting. The modified accrual basis of accounting is described in Note 1 to the City's basic financial statements.

### **Note 3. Relationship to Federal and State Financial Reports**

Amounts reported in the accompanying schedule may not agree with amounts reported in the related federal and state financial reports with grantor agencies because of accruals which would be included in the next report filed with the agencies.

### **Note 4. Indirect Costs**

The City has elected not to use the 15% de minimis indirect cost rate allowed under Uniform Guidance.

# City of Denton, Texas

## Schedule of Findings and Questioned Costs

### For the Year Ended September 30, 2025

**Section I - Summary of Auditor's Results**

**Basic Financial Statements:**

An unmodified opinion was issued on the financial statements.

Internal control over financial reporting:

- Material weakness(es) identified? \_\_\_ Yes     X  No
- Significant deficiency(ies) identified that is (are) not considered to be material weakness(es)? \_\_\_ Yes     X  None reported

Noncompliance which is material to the basic financial statements noted? \_\_\_ Yes     X  No

**Federal and State Awards:**

Internal control over major programs:

- Material weakness(es) identified? \_\_\_ Yes     X  No
- Significant deficiency(ies) identified that is (are) (are) not considered to be material weakness(es)? \_\_\_ Yes     X  None reported

An unmodified opinion was issued on compliance for each major program.

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a) or State of Texas Grant Management Standards? \_\_\_ Yes     X  No

Identification of major programs:

<u>Assistance Listing Number/Grant Identification Number</u>	<u>Name of Federal or State Program</u>
Major Federal Programs:	
14.239	Home Investment Partnerships Program
20.205	Highway Planning and Construction
Major State Program:	Regional Toll Revenue (RTR) Transportation Projects

Dollar threshold used to distinguish Between type A and type B programs: \$1,000,000 for federal and state programs

Auditee qualified as low-risk for federal single audit?  X  Yes    \_\_\_ No

# **City of Denton, Texas**

## Schedule of Findings and Questioned Costs - Continued For the Year Ended September 30, 2025

### **Section II - Financial Statement Findings**

None

### **Section III - Federal and State Awards Findings and Questioned Costs**

None

### **Section IV – Schedule of Prior Year Findings and Questioned Costs**

None