



# Financial Reporting Requirements for Water Districts in Texas

Every year, each water district governed by the Texas Water Code must complete a report on its financial status. For districts that have one or more bonds or other long-term debt outstanding at any time during the year, this report must be an audit report. (“Long-term” means having a payback term of more than one year.)

If your district had no long-term debt during the year, you might qualify to complete one of these reports instead:

- a **Financial Dormancy Affidavit (TCEQ-00447)**
- an **Annual Financial Report (TCEQ-00722)**

Also, most water districts must file a copy of their report with the Texas Commission on Environmental Quality (TCEQ, or “us” in the rest of this guide). This guide helps you decide which report to complete for your water district. If you are required to file your report with us, this guide tells how and when to file it.

If you are not sure whether you must file your report with us, see “Who Is Exempt from Filing?” on page 2.

## Financial Dormancy Affidavit (TCEQ-00447)

Answer each of these questions about your water district’s finances for the calendar year that just ended:

- Was the total income—including receipts from operations, tax assessments, contributions, loans, and all other sources—above \$500?
- Were the total expenses above \$500?
- Was the total value of cash and investments above \$5,000 at any time during the year?

If you answered “Yes” to any one of these questions, you may not use TCEQ-00447. Skip over to “Annual Financial Report (TCEQ-00722)” and see if you qualify to complete it instead.

If your answer to all three of these questions is “No”:

- Complete form TCEQ-00447.
- Keep a copy at your water district’s office.
- By Jan. 31, send a copy to our Districts Review Team as shown under “Other Questions? Contact Us!” on page 2.

## Annual Financial Report (TCEQ-00722)

Answer each of these questions for your water district’s finances for the fiscal year that just ended:

- Were the gross receipts from loans, operations, taxes, or contributions, above \$250,000 for your fiscal year?
- Was the total of cash and temporary investments above \$250,000 at any time during your fiscal year?

If you answered “Yes” to either of these questions, you must have an audit report done for your water district. Skip down to “Audit Reports.”

If your answer to both of these questions is “No”:

- Complete form TCEQ-00722.
- Keep a copy at your water district’s office.
- By the deadline shown in the table on page 2, send a copy to our Districts Review Team at the address shown under “Other Questions? Contact Us!” on page 2.

## An Audit Report

If your water district does not qualify to complete TCEQ-00447 or TCEQ-00722, then you must have an independent auditor prepare an audit report for you. This auditor must be a Texas-certified public accountant (CPA) or a public accountant with a current license. In preparing your audit report, the auditor must follow the *Water District Financial Management Guide* (TCEQ publication RG-080).

When your audit report is complete:

- Keep a copy at your water district’s office.
- Complete an Annual Filing Affidavit (TCEQ-00723).
- By the deadline shown in the table on page 2, send your completed TCEQ-00723 and a copy of your audit report to our Districts Review Team at the address shown under “Other Questions? Contact Us!” on page 2.

### Deadlines for Filing Audit Reports and Financial Reports

The table at right shows the filing deadlines for fiscal years ending between January 31, 2012, and December 31, 2013. If the actual statutory due date falls on a weekend or a holiday, we have adjusted the due date to the next business day.

These deadlines are based on Section 49.194 of the Texas Water Code:

- Under Subsection (a), a water district’s audit report must be filed with us no more than 135 days after the end of the water district’s fiscal year.
- Under Subsection (c), a qualified water district may instead submit a financial report (TCEQ-0722) no more than 45 days after the end of its fiscal year.

### Are These Mailing Dates?

**No.** We interpret these filing deadlines to be **when the report must arrive at the TCEQ**—not the date the report is postmarked or mailed. Please allow enough time for us to **receive** your report by its due date.

If you need more details on these reporting requirements, see the Texas Water Code, Sections 49.191–49.198, available online at: [www.statutes.legis.state.tx.us/](http://www.statutes.legis.state.tx.us/)

### Who Is Exempt from Filing?

To find out whether your water district is exempt from these requirements, see “Duty to Audit” in the “General Financial Guidance” chapter of *Water District Financial Management Guide* (TCEQ publication RG-080).

**Remember:** If your water district is exempt, you still must complete an annual financial report or have an independent audit report done, and you must keep the report on file at your water district’s office.

### Other Questions? Contact Us!

If you have any questions about these filing requirements, contact us in one of these ways:

- Call us at **512-239-4691**.
- Or send us a fax at **512-239-6190**.
- Or write to us at:

**Districts Review Team MC 152**  
**TCEQ**  
**PO Box 13087**  
**Austin TX 78711-3087**

<i><b>IF your fiscal year ends on...</b></i>	<i><b>THEN your audit report must get to us by...</b></i>	<i><b>OR your TCEQ-0722 must get to us by...</b></i>
Jan 31, 2012	Jun 14, 2012	Mar 16, 2012
Feb 29, 2012	Jul 12, 2012	Apr 13, 2012
Mar 31, 2012	Aug 12, 2012	May 14, 2012
Apr 30, 2012	Sep 11, 2012	Jun 13, 2012
May 31, 2012	Oct 12, 2012	Jul 14, 2012
Jun 30, 2012	Nov 11, 2012	Aug 13, 2012
Jul 31, 2012	Dec 12, 2012	Sep 13, 2012
Aug 31, 2012	Jan 12, 2013	Oct 14, 2012
Sep 30, 2012	Feb 11, 2013	Nov 13, 2012
Oct 31, 2012	Mar 14, 2013	Dec 14, 2012
Nov 30, 2012	Apr 13, 2013	Jan 13, 2013
Dec 31, 2012	May 14, 2013	Feb 13, 2013
Jan 31, 2013	Jun 14, 2013	Mar 16, 2013
Feb 28, 2013	Jul 12, 2013	Apr 13, 2013
Mar 31, 2013	Aug 12, 2013	May 14, 2013
Apr 30, 2013	Sep 11, 2013	Jun 13, 2013
May 31, 2013	Oct 12, 2013	Jul 14, 2013
Jun 30, 2013	Nov 11, 2013	Aug 13, 2013
July 31, 2013	Dec 12, 2013	Sept 13, 2013
Aug 31, 2013	Jan 12, 2014	Oct 14, 2013
Sep 30, 2013	Feb 11, 2014	Nov 13, 2013
Oct 31, 2013	Mar 14, 2014	Dec 14, 2013
Nov 30, 2013	Apr 13, 2014	Jan 13, 2014
Dec 31, 2013	May 14, 2014	Feb 13, 2014

## How to Get TCEQ Forms and Publications

To get copies of TCEQ forms and publications:

- Go to our Website, <[www.tceq.texas.gov](http://www.tceq.texas.gov)>.
- Call our Publications Distribution Unit at **512-239-0028**.
- Fax your request to our Publications Distribution Unit at **512-239-4488**.
- Mail your request with your daytime phone number to:

**TCEQ Publications**  
**MC 195**  
**PO Box 13087**  
**Austin TX 78711-3087**