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CERTIFIED PUBLIC ACCOUNTANTS

**SOUTHWEST MADISON COUNTY FIRE PROTECTION DISTRICT  
MADISON, MISSISSIPPI**

**FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
SEPTEMBER 30, 2020**

*Ridgeland, Clinton, and Yazoo City,  
Mississippi*

SOUTHWEST MADISON COUNTY FIRE PROTECTION DISTRICT

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## INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Board of Commissioners  
Southwest Madison County Fire Protection District  
Madison, Mississippi

We have reviewed the accompanying financial statements of Southwest Madison County Fire Protection District, which comprise the Statement of Net Position as of September 30, 2020, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of company management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement whether due to fraud or error.

### ***Accountant's Responsibility***

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether I am (we are) aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

**Accountant's Conclusion**

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

*Mathews, Carter & Lindsey, P.A.*

Ridgeland, Mississippi  
June 10, 2021

SOUTHWEST MADISON COUNTY FIRE PROTECTION DISTRICT

STATEMENT OF NET POSITION  
AT SEPTEMBER 30, 2020

ASSETS

CURRENT ASSETS

Cash and cash equivalents

\$ 279,270

\$ 279,270

Capital Assets

Equipment

78,254

Furniture

21,174

Vehicles

48,294

147,722

Accumulated Depreciation

(25,830)

121,892

\$ 401,162

LIABILITIES AND NET POSITION

LIABILITIES

\$ -

NET POSITION

Net investment in capital assets

\$ 121,892

Unrestricted

279,270

\$ 401,162

See accompanying notes and independent accountant's review report.

SOUTHWEST MADISON COUNTY FIRE PROTECTION DISTRICT

STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED SEPTEMBER 30, 2020

OPERATING REVENUES

Madison County	\$ 120,291	
LUD	<u>500</u>	
		<u>\$ 120,791</u>

OPERATING EXPENSES

Auto Insurance	5,078	
Gas & Fuel	1,593	
Service & Parts	340	
Bills & Utilities	6,317	
Communication Equipment	2,710	
Equipment - Medical	78	
Equipment - Vehicle	299	
Firefighter - Clothing	1,302	
Furniture	159	
Insurance	940	
Medical Supplies	118	
Office Equipment	667	
Office Expenses	2,967	
Repairs - Equipment	88	
Tools	655	
Depreciation Expense	<u>18,399</u>	
		<u>41,710</u>

OPERATING INCOME		79,081
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NET POSITION, BEGINNING OF YEAR		<u>322,081</u>
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NET POSITION, END OF YEAR		<u>\$ 401,162</u>
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See accompanying notes and independent accountant's review report.

SOUTHWEST MADISON COUNTY FIRE PROTECTION DISTRICT

STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED SEPTEMBER 30, 2020

CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 79,081	
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	<u>18,399</u>	
NET CASH PROVIDED BY OPERATING ACTIVITIES		\$ 97,480
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of furniture and equipment	<u>(103,261)</u>	
NET CASH USED IN INVESTING ACTIVITIES		<u>(103,261)</u>
NET DECREASE IN CASH		(5,781)
CASH AT BEGINNING OF YEAR		<u>285,051</u>
CASH AT END OF YEAR		<u>\$ 279,270</u>

See accompanying notes and independent accountant's review report.

# SOUTHWEST MADISON COUNTY FIRE PROTECTION DISTRICT

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED SEPTEMBER 30, 2020

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### General Information

Southwest Madison County Fire Protection District (the District) is a quasi-governmental entity formed on October 5, 1995, which provides voluntary fire fighters to Southwest Madison County, Mississippi.

The District is governed by a Board of Commissioners which includes five members who are selected and approved by the Madison County Board of Supervisors.

#### Financial Statement Presentation

The accounting policies of the District conform to generally accepted accounting principles (GAAP) as applicable to governments and prescribed by the Governmental Accounting Standards Board (GASB). GASB is the accepted standards-setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the more significant accounting policies.

#### Basic Financial Statements

The District engages in no business-type activities and no fiduciary activities. The District has no capital projects or debt. All of the activities are governmental-type activities, and all of the revenue is general fund revenue; therefore, the District uses one governmental fund – the General Fund. This fund is used to account for all revenue and expenses related to the District's activities.

#### Basis of Accounting

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The accompanying financial statements have been prepared on the accrual basis. Revenue is recognized when it becomes measurable and available. The District's primary source of revenue received from Madison County, Mississippi. It is considered measurable and available when received from the County.



SOUTHWEST MADISON COUNTY FIRE PROTECTION DISTRICT

NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Use of Estimates

The District prepares its financial statements in accordance with accounting principles generally accepted in the United States, which require that management make estimates and assumptions that affect the reported amounts. Actual amounts could differ from those results. In the opinion of management, such differences would not be significant.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the District considers all certificates of deposits and short-term investments with an original maturity of three months or less to be cash equivalents.

Capital Assets

Capital assets include furniture, equipment and a vehicle. The capital assets are recorded at cost and are depreciated using the straight-line method over their estimated useful lives. The cost of additions and improvements, which substantially extend the useful life of a particular asset, is capitalized. Expenditures for maintenance and repairs are charged to expense. The useful lives are as follows:

Assets Useful Life

Equipment	7 years
Furniture	7 years
Vehicles	5 years

Depreciation expense amounted to \$18,399 for the year ended September 30, 2020.

SOUTHWEST MADISON COUNTY FIRE PROTECTION DISTRICT

NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Concentration of Credit Risks

The District maintains its cash balances at one financial institution. At times throughout the year, the cash balance may exceed Federal Deposit Insurance Corporation (FDIC) coverage of \$250,000. At September 30, 2020, the District's bank balance exceeded the FDIC coverage limit by \$ 29,270. Management believes it is not exposed to any significant credit risk on cash and has not experienced any losses in uninsured accounts.

Federal and State Income Taxes

As a political subdivision of the State of Mississippi, the District is exempt from federal and state income taxes.

2. CASH ACCOUNTS

The District has two cash accounts: a main account which receives direct deposits (ad valorem tax collections earmarked for this district) from Madison County. Most of the expenditures are made from this account. The second account is a special account utilized for expenditures made by the Fire Chief using a debit card. The Fire Chief has authority to make expenditures of up to \$500 for a single item.

3. ASSETS OWNED BY OTHER ENTITY

The District uses assets owned by Madison County, Mississippi including fire truck and the fire station.

4. SUBSEQUENT EVENTS

In accordance with FASB Accounting Standards Codification Topic 855, *Subsequent Events*, the District has evaluated subsequent events through June 10, 2021, which is the date the financial statements were available to be issued. All subsequent events requiring recognition as of June 10, 2021, have been incorporated into these financial statements.

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