



Cindy A. Klumpe, CPA

Cecil R. Lane, CPA

Carol A. Medency, CPA

Bryan D. Whitmore, CPA

INDEPENDENT ACCOUNTANTS' REVIEW REPORT

Warm Hearts of Douglas County, Inc
PO Box 1555
Lawrence, KS 66044

We have reviewed the accompanying Statements of Assets, Liabilities, and Net Assets – Cash Basis of Warm Hearts of Douglas County, Inc (a non-profit organization) as of August 31, 2015 and 2014, and the related Statements of Support, Revenues, Expenses, and Changes in Net Assets – Cash Basis and Functional Expenses – Cash Basis for the years 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 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 the financial statements in accordance with the cash basis of accounting and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the 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 we are aware of any material modifications that should be made to the financial statements for them to be in accordance with the cash basis of accounting. We believe that the results of our procedures provide a reasonable basis for our conclusion.

Lane Whitmore LLC

Lebo, Kansas

December 11, 2015

Warm Hearts of Douglas County
Statements of Assets, Liabilities, and Net Assets - Cash Basis
As of August 31, 2015 and 2014

	As of August	
	<u>2015</u>	<u>2014</u>
Assets		
Current Assets		
Cash in bank	\$ 81,539	\$ 87,211
	<u>81,539</u>	<u>87,211</u>
Liabilities and Net Assets		
Liabilities	\$ -	\$ -
Net Assets		
Unrestricted	\$ 81,539	\$ 87,211
	<u>81,539</u>	<u>113,280</u>

See accompanying notes and independent accountants' review report

Warm Hearts of Douglas County
Statements of Support, Revenues, Expenses, and Changes in Net Assets - Cash Basis
As of August 31, 2015 and 2014

	As of August	
	2015	2014
Support and Revenue		
Fundraising	\$ 106,689	\$ 97,202
Grants	\$ 6,000	\$ 6,000
Interest Income	\$ 73	\$ 43
	\$ 112,762	\$ 103,245
Expenses		
Program Services	\$ 111,885	\$ 123,016
General and administrative	\$ 1,428	\$ 1,368
Fundraising	\$ 5,121	\$ 4,930
	\$ 118,434	\$ 129,314
Increase (Decrease) in Net Assets	\$ (5,672)	\$ (26,069)
Net Assets, beginning of year	\$ 87,211	\$ 113,280
Net Assets, end of year	\$ 81,539	\$ 87,211

See accompanying notes and independent accountants' review report

Warm Hearts of Douglas County
Statements of Functional Expenses - Cash Basis
As of August 31, 2015 and 2014

	2015				2014			
	Program Services	General and Administrative	Fundraising	Total	Program Services	General and Administrative	Fundraising	Total
Utility assistance	\$ 111,885	\$ -	\$ -	\$ 111,885	\$ 123,016	\$ -	\$ -	\$ 123,016
Printing and postage	\$ -	\$ -	\$ 5,121	\$ 5,121	\$ -	\$ -	\$ 4,930	\$ 4,930
Accounting fees	\$ -	\$ 1,240	\$ -	\$ 1,240	\$ -	\$ 1,240	\$ -	\$ 1,240
Other expenses	\$ -	\$ 188	\$ -	\$ 188	\$ -	\$ 128	\$ -	\$ 128
	\$ 111,885	\$ 1,428	\$ 5,121	\$ 118,434	\$ 123,016	\$ 1,368	\$ 4,930	\$ 129,314

See accompanying notes and independent accountants' review report

Warm Hearts of Douglas County, Inc
Notes to Financial Statements
August 31, 2015 and 2014

Warm Hearts of Douglas County, Inc. (Warm Hearts) is a not for profit organization formed to assist residents of Douglas County by providing payment assistance for electric and gas bills, and providing firewood and fans for residents whose income qualifies for such assistance.

Note 1 – Summary of Significant Accounting Policies

Support and Revenues

Warm Hearts obtains substantially all of its funding from contributions made by the general public and other entities including businesses and grants from the local government.

Method of Accounting

The Organization prepares its financial statements under the cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles. Under the cash basis of accounting, Warm Hearts records revenue when received and expenses when paid. Assets are considered unrestricted unless a donor-imposed restriction exists or a restriction is imposed by board action.

Use of Estimates

The preparation of financial statements in conformity with the cash basis of accounting requires Management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Income Taxes

Warm Hearts is exempt from federal income tax under the Internal Revenue Code Section 501(c)(3) and is exempt from state income tax under applicable state law.

Note 2 – Cash and Cash Equivalents

Warm Hearts considers demand deposits and term deposits with an original maturity of three months or less to be cash equivalents.

Note 3 – Concentrations

Black Hills utility company collects donations from the general public and matches those donations. Total donations, including match, from Black Hills totaled \$97,202 for 2014 and \$106,689 for 2015.