



BERBERICH TRAHAN & CO., P.A.
Certified Public Accountants

INDEPENDENT AUDITORS' REPORT

Board of Directors
Kansas Land Trust, Inc.:

We have audited the accompanying statements of cash receipts and disbursements of the Kansas Land Trust, Inc. (the Organization) for the years ended December 31, 2007 and 2006. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

As described in Note 1 to the financial statements, these financial statements were prepared on the basis of cash receipts and disbursements, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash receipts and disbursements of the Organization for the years ended December 31, 2007 and 2006, on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 10, 2008 on our consideration of the Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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Our audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Berberick Trahan & Co., P.A.

November 10, 2008
Topeka, Kansas

KANSAS LAND TRUST, INC.

STATEMENTS OF CASH RECEIPTS AND DISBURSEMENTS

Years Ended December 31, 2007 and 2006

	2007	2006
Receipts:		
Contributions	\$ 186,129	\$ 251,844
Grants	697,563	526,383
Merchandise sales	2,958	1,672
Interest income	9,983	3,690
Total receipts	896,633	783,589
Disbursements:		
Easement purchases	544,000	449,476
Army Compatible Use Buffer Program	34,215	37,598
Payroll	129,434	117,283
Printing	9,518	10,150
Rent	10,100	9,525
Postage	5,627	5,256
Merchandise	1,062	3,140
Office supplies	5,478	4,413
Accounting	7,500	5,000
Conference and training	2,822	2,669
Travel	2,917	2,194
Meals	592	525
Dues, subscriptions and fees	1,806	1,964
Telephone	1,774	1,231
Fundraising	2,547	2,616
Equipment	2,544	1,651
Easement due diligence	430	225
Easement dedication	1,372	1,550
Recording costs	107	157
Insurance	775	700
Utilities	1,262	883
Internet provider	480	491
Publications	-	506
Title	220	1,141
Independent contractor	4,429	3,855
Website development	949	1,137
Miscellaneous	2,246	714
Total disbursements	774,206	666,050
Excess of receipts over disbursements	122,427	117,539
Cash, beginning of year	228,353	110,814
Cash, end of year	\$ 350,780	\$ 228,353

See accompanying notes to financial statements.

KANSAS LAND TRUST, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2007 and 2006

1 - Organization and Summary of Significant Accounting Policies

Organization

Kansas Land Trust, Inc. (the Organization) has been organized to protect and preserve lands of natural, ecological, scenic, historic, agricultural or recreational significance in Kansas via conservation easements, purchase or other means, and to engage in any other lawful activity in the State of Kansas.

Basis of Accounting and Presentation

The Organization's accounts are maintained on a cash basis, and the statements of cash receipts and disbursements recognize only cash received and disbursed. Therefore, receivables and payables, long-lived assets, accrued income and expenses and amortization and depreciation, which would be recognized under generally accepted accounting principles, and which may be material in amount, are not recognized in the accompanying financial statements.

Income Taxes

The Organization has received a determination letter from the Internal Revenue Service that indicates the Organization qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code. The Organization has not been classified as a private foundation under Section 509(a)(2).

2 - Restricted Cash

The Organization had restricted cash, as follows, at December 31:

	<u>2007</u>	<u>2006</u>
Donor-restricted	\$ 123,149	\$ 101,217
Board designated	<u>101,028</u>	<u>86,217</u>
	<u>\$ 224,177</u>	<u>\$ 187,434</u>

KANSAS LAND TRUST, INC.

NOTES TO FINANCIAL STATEMENTS
(Continued)

3 - Functional Disbursements

Disbursements classified by function are as follows:

	2007	2006
Program services	\$ 735,391	\$ 632,465
Management and general	30,640	25,830
Fundraising	8,175	7,755
	<u>\$ 774,206</u>	<u>\$ 666,050</u>

4 - Operating Lease

The Organization signed a lease agreement, expiring February 27, 2009, for office space. The lease provides for monthly payments in the amount of \$ 850. Lease expense for the years ended December 31, 2007 and 2006 was \$ 10,100 and \$ 9,525, respectively.

5 - Easements

During 2007, the Organization purchased two easements. The fair market value of the easements was \$ 544,000. The Organization received grants in the amount of \$ 136,000, \$ 272,000, and \$ 136,000 from the Army Compatible Use Buffer Program, Farm and Ranch Lands Protection Program, and State Conservation Commission, respectively.

During 2006, the Organization purchased three easements. The fair market value of the easements was \$ 561,300. Landowners contributed \$ 111,824 and the remaining balance was paid by the Organization. The Organization received grants in the amount of \$ 109,025, \$ 200,075, and \$ 140,325 from the Army Compatible Use Buffer Program, Farm and Ranch Lands Protection Program, and State Conservation Commission, respectively.

The values of the easements contributed by the landowners are not reflected in the accompanying financial statements as they are prepared on a cash basis.