



KANSAS LAND TRUST, INC.

FINANCIAL STATEMENTS
TOGETHER WITH ACCOUNTANT'S COMPILATION REPORT

DECEMBER 31, 2020

Table of Contents

**Page
Number**

Accountant’s Compilation Report	1
FINANCIAL STATEMENTS:	
Statement of Financial Position	2
Statement of Activities	3
Statement of Cash Flows	4
Statement of Functional Expenses	5
Notes to Financial Statements	6-13





To the Board of Directors
Kansas Land Trust, Inc.

Management is responsible for the accompanying financial statements of Kansas Land Trust, Inc. (a nonprofit organization), which comprise of the statement of financial position as of December 31, 2020, and the related statement of activities and cash flows for the year then ended, and the related notes to the financial statements in accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

We are not independent with respect to Kansas Land Trust, Inc.

A handwritten signature in blue ink that reads 'SSC CPAs PA'.

SSC CPAs, P.A.
Lawrence, Kansas
July 22, 2021

KANSAS LAND TRUST, INC.
STATEMENT OF FINANCIAL POSITION

December 31,	2020
ASSETS	
Cash and cash equivalents	\$ 337,213
Investments at fair value	1,219,653
Beneficial interest in assets held by others	14,866
TOTAL ASSETS	\$ 1,571,732
LIABILITIES AND NET ASSETS	
Net assets	
Without donor restrictions	323,215
With donor restrictions	1,248,517
TOTAL LIABILITIES AND NET ASSETS	\$ 1,571,732

KANSAS LAND TRUST, INC.
STATEMENT OF ACTIVITIES

For the year ended December 31,

2020

	Without Donor Restrictions	With Donor Restrictions	Total
Support and revenue			
Contributions	\$ 121,680	\$ 15,000	\$ 136,680
Grants	5,987	-	5,987
Contract fee for service	11,159	-	11,159
Paycheck Protection Program loan forgiveness	17,100	-	17,100
Fundraising events	5,575	-	5,575
Work study reimbursement	554	-	554
Merchandise sales	190	-	190
Investment income	36,275	-	36,275
Change in beneficial interest of assets held by others	1,157	-	1,157
Net assets released from restriction	33,684	(33,684)	-
Total support and revenue	\$ 233,361	\$ (18,684)	\$ 214,677
Expenses			
Program	96,073	-	96,073
Supporting services:			
Management and general	34,866	-	34,866
Fundraising	24,408	-	24,408
Total expenses	155,347	-	155,347
Change in net assets	78,014	(18,684)	59,330
Net assets, beginning of year	245,201	1,267,201	1,512,402
Net assets, end of year	\$ 323,215	\$ 1,248,517	\$ 1,571,732

KANSAS LAND TRUST, INC.
STATEMENT OF CASH FLOWS

For the year ended December 31,	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 59,330	\$ 100,463
Adjustments to reconcile change in net assets to net cash flows:		
Unrealized and realized gain on investments	(3,503)	(2,513)
Change in beneficial interest of assets held by others	(1,157)	-
(Increase) decrease in operating assets:		
Accounts receivable	17,733	-
NET CASH PROVIDED BY OPERATING ACTIVITIES	72,403	97,950
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of investments	(31,618)	(4,493)
NET CASH USED IN INVESTING ACTIVITIES	(31,618)	(224,493)
Net increase in cash and cash equivalents	40,785	(126,543)
Cash and cash equivalents, beginning of year	296,428	1,030,768
Cash and cash equivalents, end of year	\$ 337,213	\$ 904,225

KANSAS LAND TRUST, INC.
STATEMENT OF FUNCTIONAL EXPENSES

For the year ended December 31,

2020

	Program Services	Management and General	Fundraising	Totals
Salaries	\$ 67,107	\$ 17,403	\$ 14,540	\$ 99,050
Payroll taxes	5,147	1,335	1,115	7,597
Employee benefits	1,398	363	303	2,064
Advertising	-	-	20	20
Bank fees	-	71	-	71
Conferences and training	-	905	-	905
Contract labor	5,859	-	-	5,859
Dues and fees	910	1,874	303	3,087
Events	-	-	3,578	3,578
Insurance	5,407	480	400	6,287
Information technology	1,484	393	306	2,183
Office supplies	330	85	71	486
Postage	222	111	777	1,110
Printing	392	196	1,372	1,960
Rent	4,896	1,296	1,008	7,200
Telephone	524	136	113	773
Travel	1,446	375	313	2,134
Professional services	-	9,600	-	9,600
Stewardship	34	-	-	34
Utilities	917	243	189	1,349
Totals	\$ 96,073	\$ 34,866	\$ 24,408	\$ 155,347

KANSAS LAND TRUST, INC.
NOTES TO FINANCIAL STATEMENTS

1. NATURE OF ORGANIZATION

Kansas Land Trust, Inc. (the Organization) was incorporated as a 501(c)(3) organization under the laws of the State of Kansas in 1990 to protect and preserve lands of ecological, agricultural, scenic, historic or recreational significance in Kansas via conservation easements, purchase or other means. The Organization is governed by a twelve member board, consisting of community members with diverse skills and resources. The Organization's mission is to partner with landowners, communities and other conservation organizations to protect Kansas' most precious resources through land conservation. The Organization is primarily supported through grants and private donations.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America.

Net assets

As outlined in the Financial Accounting Standards Boards Accounting Standards Codification (FASB ASC) 958-205, the Organization is required to report information regarding its financial position and activities according to two classes of net assets:

- Net assets without donor restrictions represent expendable funds available for operations which are not otherwise limited by donor restrictions.
- Net assets with donor restrictions consist of contributed funds subject to specific donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Use of estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that will affect the reported amounts and disclosures. Accordingly, actual results could differ from those estimates. Any adjustments applied to estimated amounts are recognized in the year in which such adjustments are determined.

Donated services

No amounts have been reflected in the financial statements for donated services. The Organization pays for most services requiring specific expertise. However, many individuals volunteer their time and perform a variety of tasks that assist the Organization.

Cash and cash equivalents

The Organization considers demand deposits and certificates of deposits with original maturities of one year or less to be cash equivalents.

KANSAS LAND TRUST, INC.
NOTES TO FINANCIAL STATEMENTS

Investments

The Organization carries investments in marketable securities with readily determinable fair values based on quoted prices in active markets in the Statement of Financial Position. Realized and unrealized gains and losses are reported in the Statement of Activities as investment income.

Beneficial interest in investments held by Foundation

The Organization established a fund held by Douglas County Community Foundation (DCCF). The balance consists of the funds allocation of the pooled investment account held by DCCF. The Organization granted variance power to DCCF, which allows DCCF to modify any condition or restriction on its distributions for any specified charitable purpose or to any specified organization if, in the sole judgment of the DCCF's Board of Directors, such restriction or condition becomes unnecessary, incapable of fulfillment, or inconsistent with the charitable needs of the community. The fund is held and invested by DCCF for our benefit and is reported at fair value in the statement of financial position, with distributions and changes in fair value recognized in the statement of activities.

Fair value measurements

The Organization has adopted the provisions of FASB ASC 820-10. Under this standard, fair value is defined as the price that would be received to sell an asset or paid to transfer a liability (i.e., the "exit price) in an orderly transaction between market participants at the measurement date.

In determining fair value, the Organization uses various valuation approaches. FASB ASC 820-10 establishes a hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. Observable inputs that market participants would use in pricing the asset or liability are developed based on market data obtained from sources independent of the Organization. Unobservable inputs are inputs that reflect the Organization's assumptions about the assumptions market participants would use in pricing the asset or liability developed based on the best information available in the circumstances. The hierarchy is broken down into three levels based on the observability of inputs as follows:

- Level 1: Valuations based on quoted prices in active markets for identical assets or liabilities that the Organization has the ability to access. Valuation adjustments and block discounts are not applied to Level 1 instruments. Since valuations are based on quoted prices that are readily and regularly available in an active market, valuation of these products does not entail a significant degree of judgment.
- Level 2: Valuations based on one or more quoted prices in markets that are not active or for which all significant inputs are observable, either directly or indirectly.
- Level 3: Valuations based on inputs that are unobservable and significant to the overall fair value measurement.

The availability of observable inputs can vary from product to product and is affected by a wide variety of factors, including, for example, the type of product, whether the product is new and not yet established in the marketplace, the liquidity of markets and other characteristics particular to the transaction. To the extent that valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgment. Accordingly, the degree for judgment exercised by the Organization in determining fair value is greatest for instruments categorized in Level 3.

KANSAS LAND TRUST, INC.
NOTES TO FINANCIAL STATEMENTS

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes the level in the fair value hierarchy within which the fair value measurement falls in its entirety is determined based on the lowest level input that is significant to the fair value measurement in its entirety.

Fair value is a market-based measure considered from the perspective of a market participant rather than an entity-specific measure. Therefore, even when market assumptions are not readily available, the Organization's own assumptions are set to reflect those that the Organization believes market participants would use in pricing the asset or liability at the measurement date.

Conservation easements

Conservation easements accepted or purchased by the Organization are not recognized as assets or revenues in the accompanying financial statements because the Land Trust does not have fee title to the properties and there are no expected future economic benefits. If purchased, the costs of the conservation easements are expensed when the easements are acquired.

Advertising costs

Advertising costs are charged to operations when incurred. Advertising expense for the year ended December 31, 2020 was \$20.

Income taxes

The Organization is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code and, therefore, has no provision for federal income taxes. In addition, the Organization qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization other than a private foundation under Section 509(a)(2). Income determined to be unrelated business taxable income (UBTI) would be taxable.

The Organization's income tax returns are subject to review and examination by federal, state, and local authorities. The Organization is not aware of any activities that are subject to tax on unrelated business income or excise or other taxes.

Revenue recognition

Contributions are recognized when cash, or other assets, or an unconditional promise to give; or a notification of a beneficial interest is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met or the donor has explicitly released the restriction.

KANSAS LAND TRUST, INC.
NOTES TO FINANCIAL STATEMENTS

Revenue recognition

Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. Contributions of property and equipment are reported as net assets with donor restrictions if the donor restricted the use of the property or equipment to a particular program, as are contributions of cash restricted to the purchase of property and equipment. Otherwise, donor restrictions on contributions of property and equipment or assets restricted for purchase of property and equipment are considered to expire when the assets are placed in service. All other donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets with donor restrictions and reported in the Statement of Activities as net assets released from restrictions.

Stewardship funds

Stewardship funds are recognized when the grantor makes a promise to give to Kansas Land Trust, Inc. that is, in substance, unconditional. Stewardship funds that are restricted by the grantor are reported as increases in net assets without restrictions if the restrictions expire in the fiscal year in which the stewardship funds are recognized. All other grantor-restricted stewardship funds are reported as increases in net assets with restrictions. When a restriction expires, donor-restricted net assets are reclassified to net assets without restrictions. Stewardship funds whose use is limited by grantor-restricted stipulations that neither expire by passage of time nor can be fulfilled or otherwise removed by actions of the Organization are recorded as net assets with restrictions – perpetual in nature.

Concentration of credit risk

The Organization is subject to credit risk due to bank accounts and certificates of deposit that are placed in financial institutions. These balances are insured by the Federal Deposit Insurance Corporation (FDIC) up to federally insured limits. As of December 31, 2020, there was no amounts in excess of federally insured limits.

3. LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditures, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following as of December 31:

	2020
Cash and cash equivalents	\$ 337,213
Investments at fair value	1,219,653
Total financial assets available within one year	1,556,866
Less those generally unavailable for expenditures due to:	
Donor-imposed restrictions	(1,248,517)
Financial assets available to meet cash needs for general expenditures within one year	\$ 308,349

KANSAS LAND TRUST, INC.
NOTES TO FINANCIAL STATEMENTS

4. FAIR VALUE MEASUREMENTS

The Organization uses fair value measurements to record fair value adjustments to certain assets and to determine fair value disclosures. For additional information on how the Organization measures fair value, refer to Note 1 – Summary of Significant Accounting Policies. The Organization has a significant portion of assets classified within Level 1 because those investments comprise open-end mutual funds with readily determinable fair values based on daily redemption value. The fair value of our beneficial interest in assets held by the community foundation is based on the fair value of fund investments as reported by the community foundation. These are considered to be Level 3 measurements.

The following table presents assets measured at fair value on a recurring basis as of December 31, 2020:

	Fair Value	Level 1	Level 2	Level 3
Investments				
Brokerage cash	\$ 10,786	\$ 10,786	\$ -	\$ -
Total brokerage cash	10,786	10,786	-	-
Mutual funds				
Convertibles	32,308	32,308	-	-
High yield bond	18,120	18,120	-	-
Long-short equity	42,704	42,704	-	-
Large value	156,275	156,275	-	-
Short-term bond	58,557	58,557	-	-
Macro trading	78,470	78,470	-	-
Multisector bond	26,052	26,052	-	-
Total mutual funds	412,486	412,486	-	-
Exchange traded funds				
Consumer defensive	29,949	29,949	-	-
Corporate bond	98,869	98,869	-	-
Emerging markets	27,840	27,840	-	-
Foreign blend	52,561	52,561	-	-
Intermediate-term bond	287,555	287,555	-	-
Large blend	63,066	63,066	-	-
Large growth	74,935	74,935	-	-
Large value	59,864	59,864	-	-
Mid-cap value	45,103	45,103	-	-
Mid-cap growth	56,639	56,639	-	-
Total exchange traded funds	796,381	796,381	-	-
Total investments	1,219,653	1,219,653	-	-
Beneficial interest in assets held by others	14,866	-	-	14,866
Total	\$ 1,234,519	\$ 1,219,653	\$ -	\$ 14,866

KANSAS LAND TRUST, INC.
NOTES TO FINANCIAL STATEMENTS

As discussed in Note 2, the Organization has a beneficial interest in the DCCF pooled investment fund. The investment policy governing the underlying investments is established by the Board of the Douglas County Community Foundation. These assets are measured at fair value on a recurring basis, and at December 31, 2020 are classified as Level 3 in the fair value hierarchy.

Unobservable inputs reflect DCCF’s assumptions that market participants would use in pricing the pooled investments, developed on the best information available in the circumstances, including assumptions about risk. Inputs may include market price information, volatility statistics, specific broad credit data, liquidity statistics, and other factors.

The following is a reconciliation of the activity related to the Level 3 beneficial interest in assets held by others for the year ended December 31:

	2020
Beginning of year	\$ 13,710
Contributions/additions	16,969
Total interest/dividend income and gains/losses	16
Grants/distributions	(15,579)
Fees	(250)
End of year	\$ 14,866

5. INVESTMENTS

The Organization’s investments consist of the following at December 31, 2020:

	Cost basis	Fair Value	Unrealized appreciation
Brokerage cash	\$ 10,786	\$ 10,786	\$ -
Mutual funds	373,005	412,486	39,481
Exchange traded funds	667,951	796,381	128,430
	\$ 1,051,742	\$ 1,219,653	\$ 167,911

6. PAYCHECK PROTECTION PROGRAM LOAN

As a result of significant disruption in the U.S. economy due to the outbreak of the COVID-19 coronavirus in March 2020, Congress passed the CARES Act which allowed for small and medium sized businesses and certain nonprofit organizations to apply for the Paycheck Protection Program (PPP). Businesses and organizations could apply for a forgivable loan based on the average cost of an eight-week payroll cycle. The Organization applied for and received \$17,100 through the PPP in April 2020. The note bears interest at a rate of 1.00% and matures in April 2022. Under the terms of the PPP, certain amounts of the loan may be forgiven if they are used for qualifying expenses as described in the CARES Act. Management has determined that the Organization has used the entire loan for qualifying expenses, therefore the entire \$17,100 is reported as revenue on the statement of activities for the year ended December 31, 2020. The entire loan balance was forgiven in December 2020.

KANSAS LAND TRUST, INC.
NOTES TO FINANCIAL STATEMENTS

7. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are available for the following purposes at December 31:

	2020
Purpose restrictions	
Stewardship funds	\$ 1,248,517
Total purpose restrictions	\$ 1,248,517

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or other events specified by the donors as follows during the year ended December 31:

	2020
Stewardship funds	\$ 33,684
Total	\$ 33,684

8. OPERATING LEASE

The Organization leases its office space in an agreement that does not exceed one year in length. Rent expense for the year ended December 31, 2020 was \$7,200.

9. EASEMENTS

During 2020, the Organization had no easement purchases. The values of easements contributed by the landowners are not reflected in the accompanying financial statements as discussed in Note 2.

10. FUNCTIONAL EXPENSES

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expense require allocation on a reasonable basis that is consistently applied. The expenses that ae allocated include salaries, payroll taxes, employee benefits, dues and fees, information technology, insurance, office supplies, postage, printing, rent, telephone, utilities and travel expenses which are allocated on the basis of use in each area.

11. RETIREMENT PLAN

The Organization participates in a SIMPLE IRA. The Organization will match up to 3% of an employees' income to a SIMPLE IRA retirement program for all eligible employees. An eligible employee is an employee who is reasonable expected to receive at least \$5,000 in compensation for two consecutive calendar years. In 2020, the Organization contributed \$2,064 in employer match contributions.

KANSAS LAND TRUST, INC.
NOTES TO FINANCIAL STATEMENTS

12. RISK MANAGEMENT

The Organization is exposed to various risks of loss related to limited torts; thefts of, damage to and destruction of assets; errors and omissions and natural disasters. The Organization carries commercial insurance and has not incurred any losses in the past three years.

13. COMMITMENTS, CONTINGENCIES AND UNCERTAINTIES

The Organization receives a substantial amount of its support from federal, state and local governments. A significant reduction in the level of this support, if this were to occur, may have an effect on the Organization's programs and activities.

As a result of significant disruption in the U.S. economy due to the outbreak of the COVID-19 coronavirus in 2020, uncertainties have arisen which are likely to negatively impact future operating results. The duration and extent to which COVID-19 may impact financial performance is unknown at this time.

14. RECENT ACCOUNTING PRONOUNCEMENTS

In February 2016, FASB issued ASU 2016-02, *Leases*, which, among other things, requires the recognition of lease assets and lease liabilities for operating leases on the statement of financial position for lessees, and the disclosure of key information about leasing arrangements. The standard is effective for fiscal years beginning after December 15, 2021. Early application is permitted. The standard will need to be applied retrospectively in the year adopted. It is management's responsibility to ensure appropriate adoption of ASU 2016-02. Adoption of the standard is not expected to have a significant impact on the Organization's financial statements.

In September 2020, the FASB issued ASU 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. This standard provides additional guidance on how to record in-kind contributions and includes expanded disclosure requirements. ASU 2020-07 is effective for annual reporting periods in fiscal years that begin after June 15, 2021. Early application is permitted. The standard will need to be applied retrospectively in the year adopted. It is management's responsibility to ensure appropriate adoption of ASU 2020-07. Adoption of the standard is not expected to have a significant impact on the Organization's financial statements.

15. SUBSEQUENT EVENTS

Management has evaluated subsequent events through July 22, 2021, the date which the financial statements were available to be issued.