



**KANSAS LAND TRUST, INC.**

FINANCIAL STATEMENTS  
TOGETHER WITH ACCOUNTANT'S COMPILATION REPORT

**DECEMBER 31, 2021**

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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, 2021, 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.

*SSC CPAs PA*

SSC CPAs, P.A.  
Lawrence, Kansas  
August 25, 2022

**KANSAS LAND TRUST, INC.**  
STATEMENT OF NET ASSETS

December 31,	2021
<b>ASSETS</b>	
Cash and cash equivalents	\$ 345,541
Investments at fair value	1,425,675
Beneficial interest in assets held by others	19,321
<b>TOTAL ASSETS</b>	<b>\$ 1,790,537</b>
<b>LIABILITIES AND NET ASSETS</b>	
<b>Net assets</b>	
Without donor restrictions	578,457
With donor restrictions	1,212,080
<b>Total net assets</b>	<b>1,790,537</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 1,790,537</b>

**KANSAS LAND TRUST, INC.**  
**STATEMENT OF ACTIVITIES**

For the year ended December 31,

2021

	Without Donor Restrictions	With Donor Restrictions	Total
<b>Support and revenue</b>			
Contributions	\$ 206,240	\$ -	\$ 206,240
Grants	23,584	-	23,584
Fundraising events	6,857	-	6,857
Work study reimbursement	1,860	-	1,860
Investment income	137,515	-	137,515
Change in beneficial interest of assets held by others	3,564	-	3,564
Net assets released from restriction	36,437	(36,437)	-
<b>Total support and revenue</b>	<b>\$ 416,057</b>	<b>\$ (36,437)</b>	<b>\$ 379,620</b>
<b>Expenses</b>			
Program	103,559	-	103,559
Supporting services:			
Management and general	34,422	-	34,422
Fundraising	22,834	-	22,834
<b>Total expenses</b>	<b>160,815</b>	<b>-</b>	<b>160,815</b>
Change in net assets	255,242	(36,437)	218,805
Net assets, beginning of year	323,215	1,248,517	1,571,732
Net assets, end of year	\$ 578,457	\$ 1,212,080	\$ 1,790,537

**KANSAS LAND TRUST, INC.**  
**STATEMENT OF CASH FLOWS**

For the year ended December 31,	2021
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Change in net assets	\$ 218,805
<b>Adjustments to reconcile change in net assets to net cash flows:</b>	
Unrealized and realized gain on investments	(81,958)
Change in beneficial interest of assets held by others	(3,564)
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<b>133,283</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Purchases of investments	(1,394,565)
Proceeds from sale of investments	1,269,610
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(124,955)</b>
<b>Net increase in cash and cash equivalents</b>	<b>8,328</b>
Cash and cash equivalents, beginning of year	337,213
<b>Cash and cash equivalents, end of year</b>	<b>\$ 345,541</b>

**KANSAS LAND TRUST, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**

For the year ended December 31,

2021

	<b>Program Services</b>	<b>Management and General</b>	<b>Fundraising</b>	<b>Totals</b>
Salaries	\$ 64,642	\$ 10,375	\$ 13,685	\$ 88,702
Payroll taxes	4,929	791	1,044	6,764
Employee benefits	1,504	241	318	2,063
Advertising	208	-	208	416
Bank fees	-	67	-	67
Conferences and training	318	159	53	530
Contract labor	3,854	-	-	3,854
Dues and fees	1,234	2,467	411	4,112
Events	-	-	3,485	3,485
Insurance	5,927	606	202	6,735
Information technology	1,352	169	169	1,690
Office supplies	334	167	167	668
Postage	252	126	883	1,261
Printing	446	89	1,248	1,783
Rent	5,760	720	720	7,200
Telephone	635	79	79	793
Travel	924	51	51	1,026
Professional services	-	18,204	-	18,204
Restoration	8,313	-	-	8,313
Stewardship	2,036	-	-	2,036
Utilities	891	111	111	1,113
<b>Totals</b>	<b>\$ 103,559</b>	<b>\$ 34,422</b>	<b>\$ 22,834</b>	<b>\$ 160,815</b>

**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

## **KANSAS LAND TRUST, INC.**

### **NOTES TO FINANCIAL STATEMENTS**

Organization in determining fair value is greatest for instruments categorized in Level 3.

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, 2021 was \$416.

#### **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.

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.

**KANSAS LAND TRUST, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

**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, 2021, there were \$87,213 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, 2021:

	<b>2021</b>
Cash and cash equivalents	\$ 345,541
Investments at fair value	1,425,675
<b>Total financial assets available within one year</b>	<b>1,771,216</b>
Less those generally unavailable for expenditures due to:	
Donor-imposed restrictions	(1,212,080)
<b>Financial assets available to meet cash needs for general expenditures within one year</b>	<b>\$ 559,136</b>

**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.

**KANSAS LAND TRUST, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

The following table presents assets measured at fair value on a recurring basis as of December 31, 2021:

	Fair Value	Level 1	Level 2	Level 3
<b>Investments</b>				
Brokerage cash	\$ 24,646	\$ 24,646	\$ -	\$ -
<b>Total brokerage cash</b>	24,646	24,646	-	-
<b>Mutual funds</b>				
Large Growth	221,745	221,745	-	-
Mid-Cap Growth	108,372	108,372	-	-
Intermediate Core Bond	97,523	97,523	-	-
Foreign Large Growth	162,973	162,973	-	-
Large Value	133,089	133,089	-	-
Intermediate Core-Plus Bond	58,574	58,574	-	-
Large Blend	172,333	172,333	-	-
Multisector Bond	46,052	46,052	-	-
Short-Term Bond	65,769	65,769	-	-
Preferred Stock	11,417	11,417	-	-
High Yield Bond	23,911	23,911	-	-
Convertibles	39,203	39,203	-	-
Floating Income	8,011	8,011	-	-
<b>Total mutual funds</b>	1,148,972	1,148,972	-	-
<b>Exchange traded funds</b>				
US Fund Diversified Emerging Mkts	39,511	39,511	-	-
US Fund Small Blend	75,667	75,667	-	-
US Fund Intermediate Core-Plus Bond	55,988	55,988	-	-
US Fund Corporate Bond	44,998	44,998	-	-
US Fund Intermediate Core Bond	35,893	35,893	-	-
<b>Total exchange traded funds</b>	252,057	252,057	-	-
<b>Total investments</b>	1,425,675	1,425,675	-	-
Beneficial interest in assets held by by others	18,340	-	-	18,340
<b>Total</b>	\$ 1,444,015	\$ 1,425,675	\$ -	\$ 18,340

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, 2021 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.

**KANSAS LAND TRUST, INC.****NOTES TO FINANCIAL STATEMENTS**

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, 2021:

	<b>2021</b>
Beginning of year	\$ 14,866
Contributions/additions	7,618
Total interest/dividend income and gains/losses	2,024
Grants/distributions	(4,937)
Fees	(250)
<b>End of year</b>	<b>\$ 19,321</b>

**5. INVESTMENTS**

The Organization's investments consist of the following at December 31, 2021:

	Cost basis	Fair Value	Unrealized appreciation (depreciation)
Brokerage cash	\$ 24,646	\$ 24,646	\$ -
Mutual funds	1,030,960	1,148,972	118,012
Exchange traded funds	266,606	252,057	(14,549)
<b>Total</b>	<b>\$ 1,322,212</b>	<b>\$ 1,425,675</b>	<b>\$ 103,463</b>

**6. NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions are available for the following purposes at December 31, 2021:

	<b>2021</b>
<b>Purpose restrictions</b>	
Stewardship funds	\$ 1,212,080
<b>Total purpose restrictions</b>	<b>\$ 1,212,080</b>

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, 2021:

	<b>2021</b>
Stewardship funds	\$ 36,437
<b>Total</b>	<b>\$ 36,437</b>

**7. 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, 2021 was \$7,200.

**KANSAS LAND TRUST, INC.**  
NOTES TO FINANCIAL STATEMENTS

**8. EASEMENTS**

During 2021, 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.

**9. 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.

**10. 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 reasonably expected to receive at least \$5,000 in compensation for two consecutive calendar years. In 2021, the Organization contributed \$2,063 in employer match contributions.

**11. 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.

**12. 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.

**13. 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

**KANSAS LAND TRUST, INC.**

**NOTES TO FINANCIAL STATEMENTS**

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.

**14. SUBSEQUENT EVENTS**

Management has evaluated subsequent events through August 25, 2022, the date which the financial statements were available to be issued.