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Form 990-EZ

Department of the Treasury
Internal Revenue ServiceShort Form
Return of Organization Exempt From Income Tax

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except private foundations)

Do not enter social security numbers on this form as it may be made public.

Information about Form 990-EZ and its instructions is at www.irs.gov/form990.

OMB No 1545-1150

2014

Open to Public
Inspection

A For the 2014 calendar year, or tax year beginning

, 2014, and ending

, 20

B Check if applicable

☐ Address change☐ Name change☐ Initial return☐ Final return/terminated☐ Amended return☐ Application pending

C Name of organization

The Kensington Conservancy

Number and street (or P.O. box, if mail is not delivered to street address)

Room/suite

736 N Western Avenue PMB 346

City or town, state or province, country, and ZIP or foreign postal code

Lake Forest, IL 60045

D Employer identification number

36-4403946

E Telephone number

(705) 782-2200

F Group Exemption

Number

G Accounting Method ☒ Cash ☐ Accrual Other (specify)H Check ☐ if the organization is not required to attach Schedule B (Form 990, 990-EZ, or 990-PF).I Website: www.kensingtonconservancy.orgJ Tax-exempt status (check only one) - ☒ 501(c)(3) ☐ 501(c)() (insert no) ☐ 4947(a)(1) or ☐ 527K Form of organization ☐ Corporation ☐ Trust ☐ Association ☐ Other

L Add lines 5b, 6c, and 7b to line 9 to determine gross receipts. If gross receipts are \$200,000 or more, or if total assets

(Part II, column (B) below) are \$500,000 or more, file Form 990 instead of Form 990-EZ

\$ 117,835

Part I Revenue, Expenses, and Changes in Net Assets or Fund Balances (see the instructions for Part I)

Check if the organization used Schedule O to respond to any question in this Part I

☒

Revenue	1	Contributions, gifts, grants, and similar amounts received	1	114,420
	2	Program service revenue including government fees and contracts	2	
	3	Membership dues and assessments	3	3,015
	4	Investment income	4	
	5a	Gross amount from sale of assets other than inventory	5a	
	5b	Less cost or other basis and sales expenses	5b	
	5c	Gain or (loss) from sale of assets other than inventory (Subtract line 5b from line 5a)	5c	
	6	Gaming and fundraising events		
	6a	Gross income from gaming (attach Schedule G if greater than \$15,000)	6a	
	6b	Gross income from fundraising events (not including \$ of contributions from fundraising events reported on line 4) (attach Schedule G if the sum of such gross income and contributions exceeds \$15,000)	6b	
6c	Less direct expenses from gaming and fundraising events	6c		
6d	Net income or (loss) from gaming and fundraising events (add lines 6a and 6b and subtract line 6c)	6d		
7a	Gross sales of inventory, less returns and allowances	7a		
7b	Less cost of goods sold	7b		
7c	Gross profit or (loss) from sales of inventory (Subtract line 7b from line 7a)	7c		
8	Other revenue (describe in Schedule O)	8	400	
9	Total revenue. Add lines 1, 2, 3, 4, 5c, 6d, 7c, and 8	9	117,835	
Expenses	10	Grants and similar amounts paid (list in Schedule O)	10	150,000
	11	Benefits paid to or for members	11	
	12	Salaries, other compensation, and employee benefits	12	
	13	Professional fees and other payments to independent contractors	13	698
	14	Occupancy, rent, utilities, and maintenance	14	
	15	Printing, publications, postage, and shipping	15	
	16	Other expenses (describe in Schedule O)	16	581
17	Total expenses. Add lines 10 through 16	17	151,279	
Net Assets	18	Excess or (deficit) for the year (Subtract line 17 from line 9)	18	(33,444)
	19	Net assets or fund balances at beginning of year (from line 27, column (A)) (must agree with end-of-year figure reported on prior year's return)	19	69,613
	20	Other changes in net assets or fund balances (explain in Schedule O)	20	
	21	Net assets or fund balances at end of year. Combine lines 18 through 20	21	36,169

For Paperwork Reduction Act Notice, see the separate instructions.

Form 990-EZ (2014)

EEA

7 98

Part II Balance Sheets (see the instructions for Part II)Check if the organization used Schedule O to respond to any question in this Part II ☒

	(A) Beginning of year	(B) End of year
22 Cash, savings, and investments	69,270	36,236
23 Land and buildings	0	0
24 Other assets (describe in Schedule O)	502	0
25 Total assets	69,772	36,236
26 Total liabilities (describe in Schedule O)	159	67
27 Net assets or fund balances (line 27 of column (B) must agree with line 21)	69,613	36,169

Part III Statement of Program Service Accomplishments (see the instructions for Part III)Check if the organization used Schedule O to respond to any question in this Part III ☐**Expenses**

(Required for section 501(c)(3) and 501(c)(4) organizations, optional for others)

What is the organization's primary exempt purpose? Conservation and preservation

Describe the organization's program service accomplishments for each of its three largest program services, as measured by expenses. In a clear and concise manner, describe the services provided, the number of persons benefited, and other relevant information for each program title.

28 Establishment, development, maintenance and management of the nature reserves and programs in the St. Joseph Channel for the conserv and preserv of the natural ecosystem. (Grants \$ 150,000) If this amount includes foreign grants, check here ☒	28a	150,000
29 _____ (Grants \$ _____) If this amount includes foreign grants, check here ☐	29a	
30 _____ (Grants \$ _____) If this amount includes foreign grants, check here ☐	30a	
31 Other program services (describe in Schedule O) _____ (Grants \$ _____) If this amount includes foreign grants, check here ☐	31a	
32 Total program service expenses (add lines 28a through 31a)	32	150,000

Part IV List of Officers, Directors, Trustees, and Key Employees (list each one even if not compensated (see the instructions for Part IV)Check if the organization used Schedule O to respond to any question in this Part IV ☐

(a) Name and title	(b) Average hours per week devoted to position	(c) Reportable compensation (Forms W-2/1099-MISC) (if not paid, enter -0-)	(d) Health benefits, contributions to employee benefit plans, and deferred compensation	(e) Estimated amount of other compensation
See 990 OFOV				
Peter Welles President	0.00	0	0	0
Hugh MacDonald Vice President	0.00	0	0	0
Alice Hill Vice President	0.00	0	0	0
John Terry Haight Secretary	0.00	0	0	0
Rick Sipe Treasurer	0.00	0	0	0
Bebe Bullock Director	0.00	0	0	0
David Hofmann Director	0.00	0	0	0
Sarah Vincenzo Director	0.00	0	0	0
Peggy Foster Miller Director	0.00	0	0	0
Richard Warren Director	0.00	0	0	0
Jessie Dann Director	0.00	0	0	0
Mason Phelps Jr Director	0.00	0	0	0
Libby Ellis Director	0.00	0	0	0

Part V Other Information (Note the Schedule A and personal benefit contract statement requirements in the instructions for Part V) Check if the organization used Schedule O to respond to any question in this Part V ☐

	Yes	No
33 Did the organization engage in any significant activity not previously reported to the IRS? If "Yes," provide a detailed description of each activity in Schedule O		X
34 Were any significant changes made to the organizing or governing documents? If "Yes," attach a conformed copy of the amended documents if they reflect a change to the organization's name. Otherwise, explain the change on Schedule O (see instructions)		X
35 a Did the organization have unrelated business gross income of \$1,000 or more during the year from business activities (such as those reported on lines 2, 6a, and 7a, among others)?		X
b If "Yes," to line 35a, has the organization filed a Form 990-T for the year? If "No," provide an explanation in Schedule O		
c Was the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization subject to section 6033(e) notice, reporting, and proxy tax requirements during the year? If "Yes," complete Schedule C, Part III		X
36 Did the organization undergo a liquidation, dissolution, termination, or significant disposition of net assets during the year? If "Yes," complete applicable parts of Schedule N		X
37 a Enter amount of political expenditures, direct or indirect, as described in the instructions	37a	
b Did the organization file Form 1120-POL for this year?	37b	X
38 a Did the organization borrow from, or make any loans to, any officer, director, trustee, or key employee or were any such loans made in a prior year and still outstanding at the end of the tax year covered by this return?	38a	X
b If "Yes," complete Schedule L, Part II and enter the total amount involved	38b	
39 Section 501(c)(7) organizations Enter		
a Initiation fees and capital contributions included on line 9	39a	
b Gross receipts, included on line 9, for public use of club facilities	39b	
40 a Section 501(c)(3) organizations Enter amount of tax imposed on the organization during the year under section 4911, section 4912, section 4955		
b Section 501(c)(3), 501(c)(4), and 501(c)(29) organizations Did the organization engage in any section 4958 excess benefit transaction during the year, or did it engage in an excess benefit transaction in a prior year that has not been reported on any of its prior Forms 990 or 990-EZ? If "Yes," complete Schedule L, Part I	40b	X
c Section 501(c)(3), 501(c)(4), and 501(c)(29) organizations. Enter amount of tax imposed on organization managers or disqualified persons during the year under sections 4912, 4955, and 4958		
d Section 501(c)(3), 501(c)(4), and 501(c)(29) organizations. Enter amount of tax on line 40c reimbursed by the organization		
e All organizations. At any time during the tax year, was the organization a party to a prohibited tax shelter transaction? If "Yes," complete Form 8886-T	40e	X
41 List the states with which a copy of this return is filed	IL	
42 a The organization's books are in care of Priddle-Luck Professional Corp Telephone no. 705-575-1096 Located at 677 MacDonald Avenue, Suite 200, Sault Ste Marie, CA ZIP + 4		
b At any time during the calendar year, did the organization have an interest in or a signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account)? If "Yes," enter the name of the foreign country	42b	X
See the instructions for exceptions and filing requirements for FinCEN Form 114, Report of Foreign Bank and Financial Accounts (FBAR)		
c At any time during the calendar year, did the organization maintain an office outside the U.S.? If "Yes," enter the name of the foreign country	42c	X
43 Section 4947(a)(1) nonexempt charitable trusts filing Form 990-EZ in lieu of Form 1041-Check here and enter the amount of tax-exempt interest received or accrued during the tax year	43	
44 a Did the organization maintain any donor advised funds during the year? If "Yes," Form 990 must be completed instead of Form 990-EZ	44a	X
b Did the organization operate one or more hospital facilities during the year? If "Yes," Form 990 must be completed instead of Form 990-EZ	44b	X
c Did the organization receive any payments for indoor tanning services during the year?	44c	X
d If "Yes," to line 44c, has the organization filed a Form 720 to report these payments? If "No," provide an explanation in Schedule O	44d	
45 a Did the organization have a controlled entity within the meaning of section 512(b)(13)?	45a	X
b Did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? If "Yes," Form 990 and Schedule R may need to be completed instead of Form 990-EZ (see instructions)	45b	X

	Yes	No
46 Did the organization engage, directly or indirectly, in political campaign activities on behalf of or in opposition to candidates for public office? If "Yes," complete Schedule C, Part I		X

Part VI Section 501(c)(3) organizations only

All section 501(c)(3) organizations must answer questions 47-49b and 52, and complete the tables for lines 50 and 51.

Check if the organization used Schedule O to respond to any question in this Part VI ☐

	Yes	No
47 Did the organization engage in lobbying activities or have a section 501(h) election in effect during the tax year? If "Yes," complete Schedule C, Part II		X
48 Is the organization a school as described in section 170(b)(1)(A)(ii)? If "Yes," complete Schedule E		X
49a Did the organization make any transfers to an exempt non-charitable related organization?		X
b If "Yes," was the related organization a section 527 organization?		

50 Complete this table for the organization's five highest compensated employees (other than officers, directors, trustees and key employees) who each received more than \$100,000 of compensation from the organization. If there is none, enter "None"

(a) Name and title of each employee	(b) Average hours per week devoted to position	(c) Reportable compensation (Forms W-2/1099-MISC)	(d) Health benefits, contributions to employee benefit plans, and deferred compensation	(e) Estimated amount of other compensation
NONE				

f Total number of other employees paid over \$100,000

51 Complete this table for the organization's five highest compensated independent contractors who each received more than \$100,000 of compensation from the organization. If there is none, enter "None"

(a) Name and business address of each independent contractor	(b) Type of service	(c) Compensation
NONE		

d Total number of other independent contractors each receiving over \$100,000

52 Did the organization complete Schedule A? **Note.** All section 501(c)(3) organizations must attach a completed Schedule A ☒ Yes ☐ No

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here	Signature of officer <i>Peter C. Welles</i>		Date <i>6/29/15</i>	
	Type or print name and title <i>PETER C. WELLES PRESIDENT</i>			
Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature <i>[Signature]</i>	Date	Check ☒ if self-employed
	Suzanne Priddle-Luck		06-22-2015	PTIN P01478605
	Firm's name	Firm's EIN		
	Firm's address		Phone no	
	Priddle-Luck Professional Corp		705-575-1096	
	200-677 MacDonald Avenue			
	Sault Ste. Marie CA P6B1J4			

May the IRS discuss this return with the preparer shown above? See instructions ☒ Yes ☐ No

SCHEDULE A
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support
Complete if the organization is a section 501(c)(3) organization or a section 4947(a)(1) nonexempt charitable trust.

▶ Attach to Form 990 or Form 990-EZ.
▶ Information about Schedule A (Form 990 or 990-EZ) and its instructions is at www.irs.gov/form990.

OMB No 1545-0047

2014

Open to Public Inspection

Name of the organization

Employer identification number

The Kensington Conservancy

36-4403946

Part I Reason for Public Charity Status (All organizations must complete this part.) See instructions.

The organization is not a private foundation because it is (For lines 1 through 11, check only one box.)

- 1 ☐ A church, convention of churches, or association of churches described in **section 170(b)(1)(A)(i).**
- 2 ☐ A school described in **section 170(b)(1)(A)(ii).** (Attach Schedule E.)
- 3 ☐ A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii).**
- 4 ☐ A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii).** Enter the hospital's name, city, and state _____
- 5 ☐ An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv).** (Complete Part II)
- 6 ☐ A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v).**
- 7 ☒ An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi).** (Complete Part II)
- 8 ☐ A community trust described in **section 170(b)(1)(A)(vi).** (Complete Part II)
- 9 ☐ An organization that normally receives (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions - subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See **section 509(a)(2).** (Complete Part III)
- 10 ☐ An organization organized and operated exclusively to test for public safety. See **section 509(a)(4).**
- 11 ☐ An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in **section 509(a)(1)** or **section 509(a)(2).** See **section 509(a)(3).** Check the box in lines 11a through 11d that describes the type of supporting organization and complete lines 11e, 11f, and 11g.
- a ☐ **Type I.** A supporting organization operated, supervised, or controlled by its supported organization(s), typically by giving the supported organization(s) the power to regularly appoint or elect a majority of the directors or trustees of the supporting organization. **You must complete Part IV, Sections A and B.**
- b ☐ **Type II.** A supporting organization supervised or controlled in connection with its supported organization(s), by having control or management of the supporting organization vested in the same persons that control or manage the supported organization(s). **You must complete Part IV, Sections A and C.**
- c ☐ **Type III functionally integrated.** A supporting organization operated in connection with, and functionally integrated with, its supported organization(s) (see instructions). **You must complete Part IV, Sections A, D, and E.**
- d ☐ **Type III non-functionally integrated.** A supporting organization operated in connection with its supported organization(s) that is not functionally integrated. The organization generally must satisfy a distribution requirement and an attentiveness requirement (see instructions). **You must complete Part IV, Sections A and D, and Part V.**
- e ☐ Check this box if the organization received a written determination from the IRS that it is a Type I, Type II, Type III functionally integrated, or Type III non-functionally integrated supporting organization
- f Enter the number of supported organizations
- g Provide the following information about the supported organization(s)

(i) Name of supported organization	(ii) EIN	(iii) Type of organization (described on lines 1-9 above or IRC section (see instructions))	(iv) Is the organization listed in your governing document?		(v) Amount of monetary support (see instructions)	(vi) Amount of other support (see instructions)
			Yes	No		
(A)						
(B)						
(C)						
(D)						
(E)						
Total						

For Paperwork Reduction Act Notice, see the Instructions for
Form 990 or 990-EZ.

Schedule A (Form 990 or 990-EZ) 2014

Part II Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)

(Complete only if you checked the box on line 5, 7, or 8 of Part I or if the organization failed to qualify under Part III. If the organization fails to qualify under the tests listed below, please complete Part III.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a) 2010	(b) 2011	(c) 2012	(d) 2013	(e) 2014	(f) Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants")	136,144	219,463	122,983	128,105	117,835	724,530
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
3 The value of services or facilities furnished by a governmental unit to the organization without charge						
4 Total. Add lines 1 through 3	136,144	219,463	122,983	128,105	117,835	724,530
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						257,723
6 Public support. Subtract line 5 from line 4						466,807

Section B. Total Support

Calendar year (or fiscal year beginning in) ▶	(a) 2010	(b) 2011	(c) 2012	(d) 2013	(e) 2014	(f) Total
7 Amounts from line 4	136,144	219,463	122,983	128,105	117,835	724,530
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources	16	13	612	11		652
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part VI)						
11 Total support. Add lines 7 through 10						725,182
12 Gross receipts from related activities, etc. (see instructions)					12	
13 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here ▶ ☐						

Section C. Computation of Public Support Percentage

14 Public support percentage for 2014 (line 6, column (f) divided by line 11, column (f))	14	64.37	%
15 Public support percentage from 2013 Schedule A, Part II, line 14	15	99.89	%
16a 33 1/3% support test - 2014. If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization ▶ ☒			
b 33 1/3% support test - 2013. If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization ▶ ☐			
17a 10%-facts-and-circumstances test - 2014. If the organization did not check a box on line 13, 16a, or 16b, and line 14 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and stop here. Explain in Part VI how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization ▶ ☐			
b 10%-facts-and-circumstances test - 2013. If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and stop here. Explain in Part VI how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization ▶ ☐			
18 Private foundation. If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions ▶ ☐			

Part III Support Schedule for Organizations Described in Section 509(a)(2)

(Complete only if you checked the box on line 9 of Part I or if the organization failed to qualify under Part II.
If the organization fails to qualify under the tests listed below, please complete Part II.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a) 2010	(b) 2011	(c) 2012	(d) 2013	(e) 2014	(f) Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants.")						
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose						
3 Gross receipts from activities that are not an unrelated trade or bus. under sec 513						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5 The value of services or facilities furnished by a governmental unit to the organization without charge						
6 Total. Add lines 1 through 5						
7a Amounts included on lines 1, 2, and 3 received from disqualified persons						
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of \$5,000 or 1% of the amount on line 13 for the year						
c Add lines 7a and 7b						
8 Public support. (Subtract line 7c from line 6)						

Section B. Total Support

Calendar year (or fiscal year beginning in) ▶	(a) 2010	(b) 2011	(c) 2012	(d) 2013	(e) 2014	(f) Total
9 Amounts from line 6						
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b						
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part VI)						
13 Total support. (Add lines 9, 10c, 11, and 12.)						
14 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here ▶ ☐						

Section C. Computation of Public Support Percentage

15 Public support percentage for 2014 (line 8, column (f) divided by line 13, column (f))	15		%
16 Public support percentage from 2013 Schedule A, Part III, line 15	16		%

Section D. Computation of Investment Income Percentage

17 Investment income percentage for 2014 (line 10c, column (f) divided by line 13, column (f))	17		%
18 Investment income percentage from 2013 Schedule A, Part III, line 17	18		%

19a 33 1/3% support tests - 2014. If the organization did not check the box on line 14, and line 15 is more than 33 1/3%, and line 17 is not more than 33 1/3%, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶ ☐

b 33 1/3% support tests - 2013. If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3%, and line 18 is not more than 33 1/3%, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶ ☐

20 Private foundation. If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions ▶ ☐

SCHEDULE O
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Name of the organization

Supplemental Information to Form 990 or 990-EZ

Complete to provide information for responses to specific questions on
Form 990 or 990-EZ or to provide any additional information.

▶ Attach to Form 990 or 990-EZ.

▶ Information about Schedule O (Form 990 or 990-EZ) and its instructions is at www.irs.gov/form990.

OMB No 1545-0047

2014

**Open to Public
Inspection**

Employer identification number

The Kensington Conservancy

36-4403946

01. Description of other revenue (Part I, line 8)

Description	Amount
Parking	400

02. List of grants and similar amounts paid (Part I, line 10)

Activity	Donation
Grantee	The Kensington Conservancy Canada
Street	PO Box 127
City, Province, Country, Postal	Desbarats, Ontario Canada P0R 1E0
Relationship	Affiliate
Amount	150,000

03. Description of other expenses (Part I, line 16)

Description	Amount
Bank charges and interest	261
Office expenses	320

04. Description of other assets (Part II, line 24)

Category	Beginning of Year	End of Year
Accounts receivable	502	0

05. Description of total liabilities (Part II, line 26)

Category	Beginning of Year	End of Year
Accounts payable	159	67

Name of the organization

Employer identification number

The Kensington Conservancy36-4403946**06. Other program services (Part III, line 31)**

The mission of the Kensington conservancy is the establishment, development,
maintenance and management of the nature reserves and programs in the St. Joseph
Channel for the Conservation and preservation of the natural ecosystem.

THE KENSINGTON CONSERVANCY U.S.

Financial Statements

Year Ended December 31, 2014

(Unaudited)

THE KENSINGTON CONSERVANCY U.S.

Index to Financial Statements

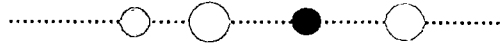
Year Ended December 31, 2014

(Unaudited)

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Priddle-Luck Professional Corporation

Chartered Professional Accountant



REVIEW ENGAGEMENT REPORT

To the Members of The Kensington Conservancy U.S.

I have reviewed the statement of financial position of The Kensington Conservancy U.S. as at December 31, 2014 and the statements of revenues and expenditures, changes in net assets and cash flow for the year then ended. My review was made in accordance with Canadian generally accepted standards for review engagements and, accordingly, consisted primarily of inquiry, analytical procedures and discussion related to information supplied to me by the organization

A review does not constitute an audit and, consequently, I do not express an audit opinion on these financial statements.

Based on my review, nothing has come to my attention that causes me to believe that these financial statements are not, in all material respects, in accordance with Canadian accounting standards for not-for-profit organizations.

Priddle-Luck
Professional Corporation

Sault Ste. Marie, Ontario
June 18, 2015

Authorized to practise public accounting by
The Chartered Professional Accountants of Ontario

THE KENSINGTON CONSERVANCY U.S.
Statement of Financial Position
December 31, 2014
(Unaudited)

	2014	2013
Assets		
Current		
Cash	\$ 26,376	\$ 69,270
Short term investments	9,860	-
Accounts receivable	-	502
	<u>\$ 36,236</u>	<u>\$ 69,772</u>
Liabilities and Net Assets		
Current		
Accounts payable	\$ 67	\$ 159
Net Assets		
General fund	<u>36,169</u>	<u>69,613</u>
Liabilities and Net Assets	<u>\$ 36,236</u>	<u>\$ 69,772</u>

See note to financial statements

THE KENSINGTON CONSERVANCY U.S.
Statement of Revenues and Expenditures
Year Ended December 31, 2014
(Unaudited)

	2014	2013
Revenue		
Donations	\$ 114,420	\$ 124,726
Membership	3,415	3,379
Interest	-	11
	<u>117,835</u>	<u>128,116</u>
Expenses		
Bank charges and interest	261	130
Office	320	296
Professional fees	698	382
The Kensington Conservancy - Cdn	150,000	153,000
	<u>151,279</u>	<u>153,808</u>
Deficiency of revenue over expenses from operations	(33,444)	(25,692)
Loss of disposal of investments	-	(506)
Deficiency of revenue over expenses	<u>\$ (33,444)</u>	<u>\$ (26,198)</u>

See note to financial statements

THE KENSINGTON CONSERVANCY U.S.

Statement of Changes in Net Assets

Year Ended December 31, 2014

(Unaudited)

	2014	2013
Net assets - beginning of year	\$ 69,613	\$ 95,811
Deficiency of revenue over expenses	<u>(33,444)</u>	<u>(26,198)</u>
Net assets - end of year	\$ 36,169	\$ 69,613

See note to financial statements

THE KENSINGTON CONSERVANCY U.S.

Statement of Cash Flow

Year Ended December 31, 2014

(Unaudited)

	2014	2013
Operating activities		
Deficiency of revenue over expenses	\$ (33,444)	\$ (26,198)
Item not affecting cash.		
Loss on disposal of investments	<u>-</u>	<u>506</u>
	<u>(33,444)</u>	<u>(25,692)</u>
 Changes in non-cash working capital		
Accounts receivable	<u>502</u>	<u>(502)</u>
Accounts payable	<u>(92)</u>	<u>160</u>
	<u>410</u>	<u>(342)</u>
 Cash flow used by operating activities	<u>(33,034)</u>	<u>(26,034)</u>
Investing activities		
Proceeds from sale of marketable securities	<u>-</u>	<u>37,984</u>
Addition to short term investments	<u>(9,860)</u>	<u>-</u>
 Cash flow from (used by) investing activities	<u>(9,860)</u>	<u>37,984</u>
 Increase (decrease) in cash flow	(42,894)	11,950
 Cash - beginning of year	<u>69,270</u>	<u>57,320</u>
 Cash - end of year	<u>\$ 26,376</u>	<u>\$ 69,270</u>

See note to financial statements

THE KENSINGTON CONSERVANCY U.S.

Notes to Financial Statements

Year Ended December 31, 2014

(Unaudited)

1. Summary of significant accounting policies

Basis of presentation

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNFPPO)

Use of estimates

The preparation of financial statement in accordance with Canadian standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, revenues and expenses.

Revenue recognition

The organization follows the deferral method of accounting for contributions.

Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Endowment contributions are recognized as direct increases in net assets

Contributed services

Volunteers contribute several hours per year to assist the Association in carrying out its service delivery activities. Because of the difficulty in determining their fair value, contributed services are not recognized in the financial statements

Currency

All amounts on the financial statements are in US dollars

(continues)

THE KENSINGTON CONSERVANCY U.S.

Notes to Financial Statements

Year Ended December 31, 2014

(Unaudited)

1. Summary of significant accounting policies *(continued)*

Financial instruments

Measurement of financial instruments

The organization initially measures its financial assets and financial liabilities at fair value, except for certain non-arm's length transactions

The organization subsequently measures all its financial assets and financial liabilities at amortized cost, except for investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in net income.

Financial assets measured at amortized cost include cash, term deposits, accounts receivable, preferred shares of a private company and notes receivable.

Financial liabilities measured at amortized cost include the bank overdraft, the bank loan, accounts payable, amounts due to directors and officers and long-term debt.

The organization's financial assets measured at fair value include quoted shares.

Impairment

Financial assets measured at cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in net income. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in net income.

Transaction costs

The organization recognizes its transaction cost in net income in the period incurred. However, the carrying amount of the financial instruments that will not be subsequently measured at fair value is reflected in the transaction costs that are directly attributable to their origination, issuance or assumption.

2. Purpose of the organization

The Kensington Conservancy is a land trust that works to protect lands and waters by purchasing property, accepting donations of land, and through voluntary conservation agreements. These protection methods are all aimed at protecting our precious landscape in perpetuity.

3. Related party transactions

The organization is under common control with its sister organization, The Kensington Conservancy Canada with the same management and Board of Directors. Amounts due from the sister organization are without interest or fixed repayment conditions. All transfers between the two organizations are done with approval of the Board of Directors. During the year, \$150,000 US was transferred from this organization to The Kensington Conservancy Canada.

THE KENSINGTON CONSERVANCY U.S.

Notes to Financial Statements

Year Ended December 31, 2014

(Unaudited)

4. Financial instruments

Risks and concentrations

The organization is exposed to various risks through its financial instruments, without being exposed to concentrations of risk. The following analysis provides a measure of the organization's risk exposure at the balance sheet date, i.e. December 31, 2014.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The organization is exposed to this risk mainly in respect of its long-term debt and accounts payable.

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The organization's main credit risks relate to its accounts receivable. The risk is low as all receivables are from confirmed revenue sources.

Market risk

Market Risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. The organization is mainly exposed to currency risk.

Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The organization is exposed to this risk as contributions will be made in US funds to their US sister organization and then transferred to the organization at the prevailing currency rate.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The organization is exposed to interest rate risk on its fixed and floating interest rate financial instruments which as December 31, 2013 were none. Fixed-interest instruments subject the organization to a fair value risk while the floating rate instruments subject it to a cash flow risk.
