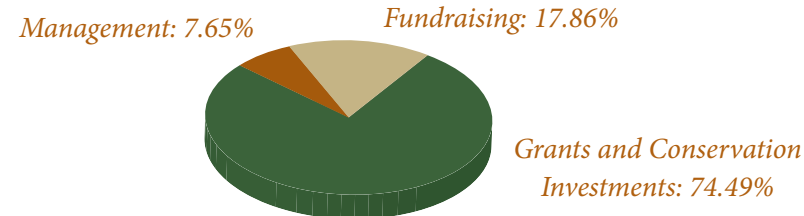


GALAPAGOS CONSERVANCY FINANCIAL STATEMENTS

Fiscal year beginning April 1, 2014 and ending March 31, 2015
(with comparative totals for FY 2014)

	FY 2015	FY 2014
REVENUE AND OTHER SUPPORT		
Contributions & Membership	\$2,497,000	\$2,905,336
Sales	25,996	18,271
Investment Income	219,162	559,836
Total Revenue and Support:	2,742,158	3,483,443
EXPENSES		
<i>Grants Out:</i>		
Ecosystem Restoration	299,270	299,367
Sustainable Society	229,430	223,888
Galapagos National Park		126,910
Charles Darwin Foundation		530,526
Other Strategic Partnerships	724,298	95,941
Allocated Program Costs	751,410	713,853
TOTAL Grants Out:	2,004,408	1,990,485
Costs of Goods Sold	16,950	17,423
<i>Support Services:</i>		
Management and General	207,479	153,474
Fundraising	484,660	506,811
TOTAL Support Expenses:	692,139	660,285
Total Operating Expenses:	2,713,497	2,668,193
Operating (loss) Income	28,661	815,250
Endowment Income	250,000	100,000
Adjusted Operating (loss) Income	278,661	915,250
TOTAL NET ASSETS	\$5,930,977	\$5,660,879



We are grateful for the financial support provided by our 11,000 members whose generosity is at the core of our conservation investments. Below, we recognize our Ambassadors, who made annual gifts of \$1,000 of more.



ANNUAL REPORT 2014

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PRESIDENT'S LETTER

Galapagos continues to inspire and amaze us. And the events of this last year, described in the following pages, illustrate the power of cooperation, collaboration, and persistence in ensuring that conservation moves forward.

Our collaborators and supporters know that success in conservation is slow and often frustrating. Last year, I participated with my Galapagos colleagues in a panel discussion on Lonesome George, describing the legacy his life, and regrettable death, left behind. When my science collaborators were asked if they ever were discouraged in their work, their reaction was one of immediate disbelief. An unshakable optimism is as critical a tool in conservation as a good field lamp and strong pair of hiking boots. Frustrated, occasionally, discouraged, never!

This enthusiasm carries through the work we are sharing with you in the 2014 Annual Report. We focus on the very important efforts of the Galapagos National Park Directorate and GC staff on "re-tortoising" the archipelago. This work is not simply a matter of restoring or repopulating islands with native tortoise species, but is a crucial step in restoring island ecosystems damaged by invasive plants and animals. The work ranges from basic animal husbandry via reviews of the tortoise breeding facilities on the three main islands to annual monitoring trips to understand the plant and animal interactions which will change and grow with the addition of tortoises, in some cases, where they have not been since the mid-1800s.

Central to the work we describe under our excellence in education is the strong belief that without well-educated leaders for the future, the fate of the islands is uncertain. The projects we are engaged in aim to ensure that there are not only excellent opportunities to learn, but excellent teachers and other educators to guide learning in the future.

Thanks to the support of our many donors and friends, we are also able to respond rapidly to emerging issues or urgent conservation management matters in the islands. We are happy to share with you some of the innovative work of our partners in the islands. Of course, our most significant partners, the Galapagos National Park Directorate and the Charles Darwin Foundation provide critical science, research, and leadership in the islands and their partnership of more than fifty years is a testament to the power of collaboration and innovation.

Recent changes in key political and management appointments have affected the Galapagos landscape somewhat, but the commitment to conservation remains. We have worked with many of the newly appointed leaders in past, and welcome the opportunity to bring them into new partnerships with GC. With pride and optimism, we continue to build partnerships to benefit these islands and are grateful for your continued support.

For Galapagos,

President

Photo credits - Blue Heron by Eve Sohn; Johannah Barry and a Park Ranger inspect recently hatched tortoises from one of the captive rearing centers; Tortoises on Wolf Volcano by James Gibbs; Children in a Tomas de Berlanga classroom by Jennifer Davidson.



GIANT TORTOISE RESTORATION INITIATIVE

The Giant Tortoise Restoration Initiative (GTRI) is one of Galapagos Conservancy's priority conservation programs. While giant tortoises move at their own deliberate pace, the GTRI has made rapid strides in 2014. GC staff led the first annual review of the Galapagos National Park Directorate's tortoise breeding Centers on San Cristobal, Santa Cruz, and Isabela islands. The review led to a series of urgent recommendations for the centers on Isabela and San Cristóbal, many of which have now been carried out by park staff. Still pending are the completion of an Operational Manual and the development of a database for all centers to share.

GC's tortoise champions, Wacho Tapia and Dr. James Gibbs, led a week-long field trip to Pinzón Island to census the tortoise population, search for hatchlings (the first to survive on Pinzón in more than 100 years following the rat eradication campaign in 2012), and collect blood samples for DNA analysis. Ten hatchlings were observed and, given that they are difficult to see, there are probably many more. The population is estimated at 570. This same team also led a 5-day expedition to Wolf Volcano on Isabela in preparation for a late 2015 expedition to collect hybrid tortoises with Pinta and Floreana ancestry for new captive breeding programs for those species.

The GTRI remains a priority with the Galapagos National Park Directorate and they provide much of the personnel as well as transportation in the islands (boats and helicopter). We will continue to focus on and invest in this critical tortoise work for the next several years to ensure that this work goes forward.

ADVANCES in COMBATING *P. DOWNSI*

Scientists have confirmed that *P. downsi*, a major parasite of Galapagos landbirds, occur naturally on mainland Ecuador and is relatively abundant in the vicinity of Guayaquil. This is important information because it supports the hypothesis that *P. downsi* may have been introduced to the Galapagos from mainland Ecuador. With this information, experts from around the world are continuing studies on a specific attractant to catch *Philornis* in traps; learning more about natural enemies of the invasive fly to be used in a biological control program; and developing a method for mass-rearing of *Philornis* under laboratory conditions.

WORKSHOPS as CONSERVATION TOOLS

In 2014, two important workshops were convened in Galapagos to protect native species. Scientists and the Charles Darwin Foundation hosted a three day land bird identification workshop that helped students,

volunteers, and local ministry representatives learn to identify birds by both sight and sound. This is an important first step for engaging local volunteers in long-term environmental monitoring, assisting scientists and conservation managers in data collection.

A second international gathering focused on understanding invasive marine species in the Galapagos Marine Reserve and trained local biosecurity agency technicians in recognizing and responding to invasive marine species.

DOGS for CONSERVATION in GALAPAGOS

In partnership with the Galapagos Biosecurity Agency and Dogs for Conservation, we funded the training of two ecological detection dogs to locate Giant African Land Snails (GALS). These destructive snails threaten local agricultural production and Galapagos endemic species, and if left unchecked, will likely cause the extinction of more than 100 species of Galapagos endemic snails.



EDUCATION FOR SUSTAINABILITY

This flagship project of Galapagos Conservancy focuses on educational reform, teacher training, and creating a demonstration school in Galapagos as a center for innovative classroom and extracurricular educational development. Galapagos Conservancy is launching a public-private partnership to promote education reform that supports conservation.

In early May, GC's Richard Knab made a formal presentation to Ecuador's Vice Minister of Education and other top Ministry officials. The Vice Minister approved the observations and recommendations contained in the Report and instructed staff to develop a formal memorandum of understanding between GC and the Government of Ecuador.

An outreach program will consist of intensive teacher professional development offered by a group of Galapagos-based coaches based at the Scalesia Foundation and members of GC's network of education experts in the US and Latin America.

HIGHLIGHTS

RAPID RESPONSE: AVIAN POX in ALBATROSS

One of the most important roles that GC plays is to help local organizations and conservation managers respond to emergency situations prompted by observations made in the field. We provided funds to Dr. Kate Huyvaert from Colorado State University to follow-up on an outbreak of avian pox virus observed in juvenile waved albatross in November 2013. By understanding the degree of exposure to the virus in both breeding adults and nestlings and documenting the strain of virus affecting the albatross, she could evaluate ideas about transmission.

The good news is that in a 2014 survey of more than 1,000 juvenile albatrosses, none were affected. Another in-depth survey of pathogens and parasites in the waved albatross will be conducted soon and will become an important component of the population biology data of threatened species like the waved albatross.

MISSION

To advance and support the conservation of the unique biodiversity and ecosystems of Galapagos through directed research, conservation management, informed public policy, and building a sustainable society

VISION

Galapagos Conservancy works to ensure a balance between human society and nature that will protect and enhance the unique ecosystems of the Galapagos Archipelago. We value innovative science and conservation management that constantly strives to add knowledge and context to the world's understanding of biodiversity conservation. We envision a healthy and engaged society within Galapagos that actively cares for and respects the sustainable and thoughtful use of local resources.

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2014 BOARD MEETINGS

Washington, DC, May 30, 2014
Washington, DC, November 15, 2014
Fairfax, VA, February 6, 2015

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