



FINANCIAL STATEMENTS

December 31, 2021 and 2020

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INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
Galapagos Conservancy, Inc.
Fairfax, Virginia

Opinion

We have audited the financial statements of Galapagos Conservancy, Inc., which comprise the statements of financial position as of December 31, 2021 and 2020, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Galapagos Conservancy, Inc. as of December 31, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Galapagos Conservancy, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Galapagos Conservancy, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Galapagos Conservancy, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Galapagos Conservancy, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Wegner CPAs LLP

Wegner CPAs, LLP
Alexandria, Virginia
May 27, 2022

GALAPAGOS CONSERVANCY, INC.
STATEMENTS OF FINANCIAL POSITION
December 31, 2021 and 2020

	2021	2020
ASSETS		
Cash	\$ 3,290,566	\$ 1,682,088
Unconditional promises to give	387,243	244,784
Prepaid expenses	33,437	37,872
Investments	6,274,187	5,973,195
Property and equipment, net	59,069	-
Total assets	\$ 10,044,502	\$ 7,937,939
LIABILITIES		
Accounts payable	\$ 57,011	\$ 33,975
Accrued liabilities	69,998	39,193
Grants payable	961,502	515,190
Refundable advances	-	52,655
Deferred lease incentives	4,817	7,869
Total liabilities	1,093,328	648,882
NET ASSETS		
Without donor restrictions	4,657,684	3,285,228
With donor restrictions	4,293,490	4,003,829
Total net assets	8,951,174	7,289,057
Total liabilities and net assets	\$ 10,044,502	\$ 7,937,939

See accompanying notes.

GALAPAGOS CONSERVANCY, INC.
STATEMENTS OF ACTIVITIES
Years Ended December 31, 2021 and 2020

	2021			2020		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE						
Grants and contributions	\$ 4,141,900	\$ 1,003,818	\$ 5,145,718	\$ 2,817,097	\$ 406,872	\$ 3,223,969
Investment return, net	344,153	258,429	602,582	258,181	123,260	381,441
Sales	16,123	-	16,123	13,085	-	13,085
Total support and revenue	4,502,176	1,262,247	5,764,423	3,088,363	530,132	3,618,495
EXPENSES						
Program Services						
Education for Sustainability	960,698	-	960,698	627,647	-	627,647
GTRI	953,835	-	953,835	413,552	-	413,552
Science for Conservation	1,254,458	-	1,254,458	1,372,574	-	1,372,574
Total program services	3,168,991	-	3,168,991	2,413,773	-	2,413,773
Supporting Activities						
Management and General	270,389	-	270,389	316,480	-	316,480
Fundraising	662,926	-	662,926	477,434	-	477,434
Total expenses	4,102,306	-	4,102,306	3,207,687	-	3,207,687
NET ASSETS RELEASED FROM RESTRICTIONS						
Satisfaction of purpose restrictions	972,586	(972,586)	-	442,927	(442,927)	-
Change in net assets	1,372,456	289,661	1,662,117	323,603	87,205	410,808
Net assets at beginning of year	3,285,228	4,003,829	7,289,057	2,961,625	3,916,624	6,878,249
Net assets at end of year	<u>\$ 4,657,684</u>	<u>\$ 4,293,490</u>	<u>\$ 8,951,174</u>	<u>\$ 3,285,228</u>	<u>\$ 4,003,829</u>	<u>\$ 7,289,057</u>

See accompanying notes.

GALAPAGOS CONSERVANCY, INC.
STATEMENT OF FUNCTIONAL EXPENSES
Year Ended December 31, 2021

	Program Services			Supporting Activities			Total Expenses	
	Education for Sustainability	GTRI	Science for Conservation	Total Program Services	Management and General	Fundraising		Total Supporting Activities
Grants	\$ 450,003	\$ 2,659	\$ 822,717	\$ 1,275,378	\$ -	\$ -	\$ -	\$ 1,275,378
Salaries, benefits and payroll taxes	332,383	280,337	279,048	891,768	89,526	176,139	265,665	1,157,433
Accounting fees	-	-	-	-	90,233	-	90,233	90,233
Consulting fees	92,026	250,916	32,263	375,204	4,000	123,388	127,388	502,592
Copywriting charges	5,457	5,418	7,125	18,000	-	23,372	23,372	41,372
Depreciation expense	2,297	2,280	2,999	7,576	358	1,418	1,777	9,353
Insurance expense	394	392	515	1,300	4,172	258	4,430	5,730
Legal fees	17,296	17,175	26,712	61,183	2,281	2,730	5,011	66,194
List rental	-	-	-	-	24	10,928	10,952	10,952
Mail house	694	681	896	2,270	11	64,863	64,874	67,145
Member email program	-	-	-	-	-	4,100	4,100	4,100
Occupancy	18,599	18,476	24,284	61,358	7,514	8,995	16,509	77,868
Office expenses	11,065	113,456	10,953	135,474	55,042	2,479	57,521	192,995
Other professional fees	12,994	12,972	16,968	42,934	2,001	63,676	65,676	108,610
Permits, fees and licenses	601	1,817	785	3,203	3,249	8,424	11,673	14,877
Postage and shipping	4,538	4,629	5,846	15,013	791	88,818	89,609	104,622
Premium on member development	-	-	-	-	-	4,459	4,459	4,459
Printing and design	6,529	6,527	8,526	21,582	-	75,457	75,457	97,039
Travel and meetings	1,669	231,977	9,398	243,044	10,497	2,547	13,044	256,088
Web expense	4,154	4,125	5,424	13,703	689	876	1,565	15,268
Total expenses	\$ 960,698	\$ 953,835	\$ 1,254,458	\$ 3,168,990	\$ 270,389	\$ 662,926	\$ 933,315	\$ 4,102,306

GALAPAGOS CONSERVANCY, INC.
STATEMENT OF FUNCTIONAL EXPENSES
Year Ended December 31, 2020

	Program Services			Supporting Activities			Total Expenses	
	Education for Sustainability	GTRI	Science for Conservation	Total Program Services	Management and General	Fundraising		Total Supporting Activities
Grants	\$ 311,093	\$ -	\$ 699,219	\$ 1,010,312	\$ -	\$ -	\$ -	\$ 1,010,312
Salaries, benefits and payroll taxes	153,854	115,731	266,995	536,580	136,128	160,988	297,116	833,696
Accounting fees	14,830	12,976	25,741	53,547	120,664	-	120,664	174,211
Consulting fees	77,191	31,737	69,549	178,477	11,811	57,255	69,066	247,543
Copywriting charges	-	-	-	-	-	19,700	19,700	19,700
Cost of goods sold	-	-	2,825	2,825	-	-	-	2,825
Insurance expense	1,298	1,136	2,253	4,687	1,252	1,482	2,734	7,421
Legal fees	7,981	6,983	13,853	28,817	-	-	-	28,817
List rental	-	-	-	-	-	24,815	24,815	24,815
Mail house	1,016	889	1,763	3,668	979	80,086	81,065	84,733
Member email program	-	-	25,020	25,020	-	-	-	25,020
Occupancy	13,779	12,053	23,912	49,744	9,847	11,655	21,502	71,246
Office expenses	13,151	45,020	17,365	75,536	17,028	11,417	28,445	103,981
Other professional fees	24,835	40,574	43,099	108,508	12,500	14,924	27,424	135,932
Permits, fees and licenses	2,472	2,162	4,290	8,924	2,383	2,822	5,205	14,129
Postage and shipping	-	-	77,818	77,818	-	45,377	45,377	123,195
Premium on member development	-	-	9,331	9,331	-	-	-	9,331
Printing and design	-	-	72,558	72,558	-	42,309	42,309	114,867
Travel and meetings	4,476	142,829	5,043	152,348	2,277	2,696	4,973	157,321
Web expense	1,671	1,462	11,940	15,073	1,611	1,908	3,519	18,592
Total expenses	\$ 627,647	\$ 413,552	\$ 1,372,574	\$ 2,413,773	\$ 316,480	\$ 477,434	\$ 793,914	\$ 3,207,687

GALAPAGOS CONSERVANCY, INC.
STATEMENTS OF CASH FLOWS
Years Ended December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 1,662,117	\$ 410,808
Adjustments to reconcile change in net assets to net cash flows from operating activities		
Depreciation	9,353	-
Net realized and unrealized gains on investments	(386,417)	(286,111)
(Increase) decrease in assets		
Unconditional promise to give	(142,459)	(50,932)
Prepaid expenses	4,435	3,082
Increase (decrease) in liabilities		
Accounts payable	23,035	(17,642)
Accrued liabilities	30,805	7,791
Grants payable	446,312	174,478
Refundable advances	(52,655)	23,152
Deferred lease incentives	(3,052)	(1,337)
Net cash flows from operating activities	<u>1,591,474</u>	<u>263,289</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property and equipment	(68,421)	-
Purchases of investments and interest and dividends reinvested	(214,575)	(91,890)
Proceeds from sales of investments	<u>300,000</u>	<u>-</u>
Net cash flows from investing activities	<u>17,004</u>	<u>(91,890)</u>
Change in cash	1,608,478	171,399
Cash at beginning of year	<u>1,682,088</u>	<u>1,510,689</u>
Cash at end of year	<u>\$ 3,290,566</u>	<u>\$ 1,682,088</u>

See accompanying notes.

GALAPAGOS CONSERVANCY, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2021 and 2020

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Galapagos Conservancy, Inc. (the Conservancy) is a not-for-profit organization incorporated under the laws of Delaware in 1985. The scientific purpose of the Conservancy included the advancement of scientific research and conservation, principally in the Galapagos Islands. The Conservancy is a tax-exempt organization under Internal Revenue Code Section 501(c)(3). The Conservancy's major sources of income are donor contributions and investment income.

Promises to Give

Unconditional promises to give are recognized as revenues in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional. At December 31, 2021 and 2020, all promises to give are collectible within one year.

Property and Equipment

Property and equipment are recorded at cost if purchased and at fair value if donated; depreciation is computed on a straight-line basis over their estimated useful lives ranging from three to seven years. All property and equipment purchase with an estimated useful life over one year and cost greater than \$1,000 is capitalized.

Investments

The Conservancy reports investments in equity securities with readily determinable fair values and all investments in debt securities at their fair values in the statements of financial position. Unrealized gains and losses are included in the change in net assets in the accompanying statements of activities.

Investment securities, in general, are exposed to various risks, such as interest rates, credit, and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in values of investment securities will occur in the near term and that such change could materially affect the amounts reported in the statements of financial position.

Refundable Advances

Refundable advances consist of unexpended grant awards received under a cost-reimbursement grant accounted for as a conditional contribution.

Income Tax Status

The Conservancy is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. In addition, the Conservancy 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).

GALAPAGOS CONSERVANCY, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2021 and 2020

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Contributions

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. 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 without donor restrictions and reported in the statements of activities as net assets released from restrictions.

Revenue Recognition

The Conservancy's sales revenue is recognized at a point in time when the sale of merchandise occurs.

Expense Allocation

The financial statements report certain categories of expenses that are attributable to more than one program service or supporting activity. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include salaries, benefits and payroll taxes, occupancy and depreciation, which are allocated based on estimates of time, effort, and use.

Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Date of Management's Review

Management has evaluated subsequent events through May 27, 2022, the date which the financial statements were available to be issued.

NOTE 2—CONCENTRATIONS OF CREDIT RISK

The Conservancy places its cash and cash equivalents on deposit with financial institutions in the United States. Accounts at each institution are insured by the Federal Deposit Insurance Corporation up to \$250,000. At times during the year, the Conservancy's cash balances exceed the FDIC Insurance amount. Management believes the risk in these situations to be minimal.

GALAPAGOS CONSERVANCY, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2021 and 2020

NOTE 3—INVESTMENTS

Investments are comprised of the following:

	2021	2020
Money market funds	\$ 361,133	\$ 655,007
Equity mutual funds	4,660,649	2,569,236
Certificates of deposit	75,980	1,692,339
Bond mutual funds	1,176,425	1,056,613
Investments	<u>\$ 6,274,187</u>	<u>\$ 5,973,195</u>

Fair values of equity mutual funds and bond mutual funds are valued at the closing price reported on the active market on which the equity mutual funds and bond mutual funds are traded and are considered Level 1 fair value measurements. Fair value of certificates of deposit are determined using a market approach on yields currently available on comparable securities of issuers with similar credit ratings, which are Level 2 fair value measurements.

NOTE 4—ENDOWMENTS

The Conservancy's endowment consists of five individual funds established for a variety of purposes, the income from which is expendable to support various scientific research of the Galapagos Islands. As required by U.S. generally accepted accounting principles, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions. All contributions to donor-restricted endowments are reported as increases net assets with donor restrictions. All earnings on the underlying investments are reported as increases in net assets with donor restrictions until appropriated for expenditure by the Conservancy.

The Conservancy is subject to the Uniform Prudent Management of Institutional Funds Act (UPMIFA) and, thus, classifies amounts in its donor-restricted endowment funds as net assets with donor restrictions (a) the original value of gifts donated to the fund and (b) any accumulations to the fund that are required to be maintained in perpetuity in accordance with the direction of the applicable donor gift instrument.

The Conservancy has interpreted UPMIFA to permit spending from underwater funds in accordance with the prudent measures required under the law. In accordance with UPMIFA, the Conservancy considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The durations and preservation of the fund.
- The purposes of the Conservancy endowment fund.
- General economic conditions.
- The possible effect of inflation and deflation.
- The expected total return from income and the appreciation of investments.
- Investment policies.

GALAPAGOS CONSERVANCY, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2021 and 2020

NOTE 4—ENDOWMENTS (continued)

Investment Return Objectives, Risk Parameters, and Strategies. The Conservancy's objective is to earn a respectable, long-term, risk-adjusted total rate of return to support its programs. The Conservancy is primarily invested in publicly traded equity and bond mutual funds.

Spending Policy. The earnings from these endowments are available in support of programs of the Conservancy. The Board of Directors approves an annual appropriation to fund grants in support of the Conservancy's mission in amounts aimed to preserve the endowment corpus.

Endowment net asset composition by type of fund as of December 31, 2021 and 2020 is as follows:

	2021		
	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted endowment funds:			
Original donor-restricted gifts	\$ -	\$ 2,534,018	\$ 2,534,018
Accumulated investment gains	-	1,255,707	1,255,707
Board-designated endowment funds	2,484,462	-	2,484,462
Total endowment funds	\$ 2,484,462	\$ 3,789,725	\$ 6,274,187
	2020		
	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted endowment funds:			
Original donor-restricted gifts	\$ -	\$ 2,534,018	\$ 2,534,018
Accumulated investment gains	-	997,278	997,278
Board-designated endowment funds	2,441,899	-	2,441,899
Total endowment funds	\$ 2,441,899	\$ 3,531,296	\$ 5,973,195

GALAPAGOS CONSERVANCY, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2021 and 2020

NOTE 4—ENDOWMENTS (continued)

Changes in endowment net assets for the years ended December 31, 2021 and 2020 are as follows:

	2021		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets at beginning of year	\$ 2,441,899	\$ 3,531,296	\$ 5,973,195
Investment return, net	344,153	258,429	602,582
Amounts appropriated for expenditure	(301,590)	-	(301,590)
Endowment net assets at end of year	<u>\$ 2,484,462</u>	<u>\$ 3,789,725</u>	<u>\$ 6,274,187</u>
	2020		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets at beginning of year	\$ 2,187,158	\$ 3,416,036	\$ 5,603,194
Investment return, net	254,741	123,260	378,001
Amounts appropriated for expenditure	-	(8,000)	(8,000)
Endowment net assets at end of year	<u>\$ 2,441,899</u>	<u>\$ 3,531,296</u>	<u>\$ 5,973,195</u>

NOTE 5—RETIREMENT CONTRIBUTIONS

The Conservancy has a simple Individual Retirement Account plan covering all full-time employees (working a minimum of 30 hours per week) beginning on their date of hire. Employees can make salary deferrals up to limits specified in the plan. The Conservancy will match up to 3% of an employee's salary if the individual decides to contribute. Employer contributions to the plan for the years ended December 31, 2021 and 2020 were \$20,608 and \$9,827, respectively.

NOTE 6—SUBSEQUENT EVENT

Subsequent to December 31, 2021, volatility experienced in the financial markets has resulted in a significant decline in the fair value of certain investments. As of May 27, 2022, the fair value of the investment portfolio declined by approximately \$425,000 from December 31, 2021.

GALAPAGOS CONSERVANCY, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2021 and 2020

NOTE 7—NET ASSETS

Net assets with donor restrictions are comprised of the following:

	2021	2020
Subject to expenditure for specified purpose:		
Marine	\$ -	\$ 15,800
Ornithology	34,750	33,000
Education	11,018	70,427
Education-Tinker Foundation	-	88,788
Celebrity Expeditions	88,800	116,650
Silver Seas	156,464	34,952
Saladin Funds	20,100	40,100
Tortoise	79,364	72,816
Education-Muggia	25,433	-
Women in Sustainable Entrepreneurship	34,510	-
Pink Land Iguana	2,854	-
Penguins	5,400	-
Campus Conservation	45,072	-
Subject to the Conservancy's spending policy and appropriation		
General Endowment	1,645,990	1,583,535
USAID Endowment	1,241,908	1,128,376
Marine Endowment	495,124	449,861
Hickman Marine Endowment	279,838	254,256
Darwin Scholars Endowment	126,865	115,268
Net assets with donor restrictions	\$ 4,293,490	\$ 4,003,829

NOTE 8—LEASES

The Conservancy leases office space in Virginia and Ecuador under noncancelable agreements that expire in December 2022 and August 2024, respectively. The lease in Virginia provides for abatement of rent due for January 2018, with annual escalations in the base rent of 3%. The Conservancy is also responsible for its pro-rata share of any increases in operating expenses and real estate taxes on the building, beginning in 2019. The total rent is recognized in expense on a straight-line basis, and total rent expense for those years ended December 31, 2021 and 2020 was \$77,868 and \$71,247, respectively.

Future minimum payments required under the lease agreements for the years ending December 31 are as follows:

2022	\$ 76,546
2023	14,784
2024	9,856

GALAPAGOS CONSERVANCY, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2021 and 2020

NOTE 9—PROPERTY AND EQUIPMENT

Property and equipment is comprised of the following:

	2021	2020
Leasehold improvements	\$ -	\$ 3,763
Furniture and fixtures	22,165	25,980
Office equipment	20,257	3,250
Software	26,000	64,500
Accumulated depreciation and amortization	(9,353)	(97,493)
Property and equipment, net	\$ 59,069	\$ -

NOTE 10—LIQUIDITY AND AVAILABILITY

The following table reflects the Conservancy's financial assets as of December 31, 2021 and 2020 reduced by amounts not available to meet cash needs for general expenditures within one year of the date of the statements of financial position:

	2021	2020
Financial assets at year-end:		
Cash	\$ 3,290,566	\$ 1,682,088
Unconditional promises to give	387,243	244,784
Investments	6,274,187	5,973,195
Total financial assets at year-end	9,951,996	7,900,067
Less financial assets unavailable for general expenditures within one year:		
Restricted by donors with purpose restrictions	(503,765)	(472,533)
Subject to Conservancy's spending policy	(6,274,187)	(5,973,195)
Financial assets available to meet cash needs for general expenditures within one year	\$ 3,174,044	\$ 1,454,339

The Conservancy has a goal to maintain sufficient financial assets in the form of cash and cash equivalents on hand to meet 60 days of normal operating expenses, which are, on average approximately \$400,000. The Conservancy has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In the event of unforeseen obligations, the Conservancy may be granted access to Board-designated endowment assets of approximately \$2,500,000.

GALAPAGOS CONSERVANCY, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2021 and 2020

NOTE 11—CONDITIONAL GRANT

The Conservancy has grants that are conditioned upon the Conservancy incurring qualifying expenses under the grant programs. At December 31, 2020, conditional grants in which cash has been received but expenses not yet incurred total \$52,655 and are presented as refundable advances on the statements of financial position. At December 31, 2020, the Conservancy also has a conditional grant of \$25,350 with a grantor which will be received when qualifying expenses are incurred.