Dear Friends,

The planet’s many unique ecosystems present us with an almost unbelievable richness and diversity of life forms that reflect the work of patient, persistent natural selection over millions of years.

In addition to their beauty, these ecosystems are essential to us – providing the oxygen we breathe, the water we drink, and a stable climate. Their biodiversity supports advances in medicine and agriculture. Despite their seeming remoteness in Latin America, the tropical ecosystems of the Amazon and Andes directly support each of our lives and livelihoods.

However, these ecosystems face threats as never before. The relentless conversion of nature for short term gains continues at an alarming pace, destroying the world’s life-support systems. With the growing disruption of our climate, we now see these changes happening right in our own backyard.

Tragically, we have already lost half of these forests and are losing the remainder at 2% per year. At this rate we have very little time and our actions in the next decades will determine how much of nature survives, and which species will vanish along with their carefully crafted roles in the web of life.

Nature and Culture International is dedicated to conserving these extraordinary ecosystems and the cultures that inhabit them. We do so by protecting endangered ecosystems and helping communities thrive alongside nature. We are uniquely effective because we devote the vast majority of our resources to programs on the ground, where we work at the regional and local level to implement sustainable conservation solutions.

We seek your help to nearly triple the impact of our work in the coming decade to counter these threats with our proven programs. Time is short. We ask you to act now in joining us to save this miraculous diversity of life.

Sincerely,

Ivan Gayler  Byron Swift
Chairman of the Board  President

TIME IS OF THE ESSENCE
WE’RE WORKING IN THE GLOBAL EPICENTER OF BIODIVERSITY

Rainforests cover only 2% of the planet but contain half of its species, which provide valuable genetic material for new crops to feed people and medicines to fight illness globally.

As the Amazon shrinks, so do the potential cures for cancer and other diseases.
INTRODUCTION

At Nature and Culture International, we take a different approach to conserving the world’s most biologically diverse regions. We are guided by a deep respect for the people who live in these remarkable places. By empowering communities to preserve their natural environment on their terms, we are helping them improve their quality of life and sustain those changes.

We build success from the ground up. As trusted neighbors, our local staff members develop strong relationships within their communities to better understand and protect these vulnerable ecosystems. We build our presence for the long term, partnering with the governments of Ecuador, Peru and Mexico to implement large-scale initiatives that integrate conservation into the framework of the country.

This focus on supporting local efforts translates into unparalleled efficiency. Each year, over 90% of our resources are invested directly into our conservation programs. Beyond financial efficiency, preserving irreplaceable habitats and their extraordinary species in Latin America is simply priceless.

Building on our success, our vision includes expanding from 15 to 60 regions while bolstering the capacity of our existing offices in order to safeguard the planet’s most critical ecosystems before it’s too late.

OUR VISION

CONSERVATION MILESTONES

Since 1997 we have conserved more than 11 million acres of critical ecosystems, ensuring the survival of countless species. Our accomplishments include:

- Initiating the creation of more than 5.5 million acres of protected areas in the Amazon rainforest that improve the welfare of over 40 indigenous communities and conserve thousands of plant and animal species.
- Spurring the creation of two 2.8 million acre UNESCO biosphere reserves in the rainforests and paramos of central and southern Ecuador.
- Helping communities and landowners protect more than 112,546 acres and receive over $1 million per year in ecosystem service payments through Socio Bosque.
- Working with the indigenous Shuar communities of Ecuador to establish their rights to and protect 80,000 acres of ancestral homeland.
- Establishing a Regional Water Fund to safeguard the drinking water for one million Ecuadorians while protecting highly biodiverse watershed forests.
- Helping obtain the declaration of protected areas at the regional and municipal level to protect natural areas like Molina Pampa in Peru (27,302 acres of endangered wax-palm forest) and the Pozul community reserve in Ecuador (29,113 acres of endangered Tumbesian forest).
- Purchasing land to establish private reserves that protect key biodiversity sites such as Casaderos and La Celba in Ecuador (each 20,000 acres), and Alamos in Mexico (14,000 acres).
Amazon Rainforest

Amazon rainforests constitute the most extensive tropical forests in the world with the highest biological diversity on Earth, and contain more species than in any other ecosystem. They are especially rich in birds, amphibians and insects, and just a few acres may contain more tree species than in all of North America. The Amazon also provides essential ecosystem services, storing massive amounts of carbon that mitigate the effects of climate change, and stabilizing the world’s rainfall patterns.

Tropical Dry Forest

We protect a number of tropical deciduous or dry forests that, in many cases, are more endangered than rainforests. The dry forest canopy is dense with green leaves during the wet summer months, but during the dry winter, the trees drop their leaves and the canopy opens up. This is an evolutionary adaptation to dry conditions, and has led to the presence of many rare and endemic species that live only in these ecosystems.

Coastal and Marine Areas

Mangroves, estuaries, lagoons and near-shore oceans are significant for their marine diversity and importance for migratory birds. They support complex webs of life that both support marine fisheries and provide the freshwater to form wetlands. Ultimately, they feed into the ocean where reefs and seamounts provide habitat for fish, coral and marine plants. The Ecuadorian and Peruvian marine areas where we work are some of the richest on Earth.

Andean Cloud Forest

Andean cloud forests contain the highest degree of endemism or beta diversity — plants and animals found nowhere else on Earth. Due to their altitude and location along the equator, the Andes of Colombia, Ecuador and Peru are the most productive yet fragile cloud forests on Earth. Many biologists consider them the world’s greatest conservation priority due to the sheer number of species and high degree of threat.

Paramos

The paramo is a specialized high-altitude ecosystem located only in the northern Andes of South America and a few parts of Central America. Paramo vegetation is composed mainly of grasses, shrubs and giant rosette plants. It is found above the timberline but below the permanent snowline, roughly between 9,000 and 15,000 feet. It provides the water source for many cities in the region, but is threatened in many areas due to burning and overgrazing by sheep and cattle.

Andean Cloud Forest
OUR OFFICES

LOJA, ECUADOR | Our headquarters office has an institution-wide role in policy and planning. To date it has created over 350,000 acres of protected areas and initiated major regional programs like the FORAGUA Water Fund. It also led the process for designating the million acre Podocarpus-El Condor Biosphere Reserve in concert with local communities and the Ecuadorian government.

CUENCA, ECUADOR | This office is carrying out an ambitious plan to create a conservation corridor between the Sangay and Podocarpus national parks. In 2013 it helped create 115,743 acres of new protected areas in this corridor by working with municipalities and local communities. It’s also working to extend watershed conservation programs throughout the province, and supported the creation of the 2.4 million acre Cajas Massif Biosphere Reserve in May 2013.

PASTAZA, ECUADOR | We opened this office in September 2013 to support the provincial government in creating a system of protected areas. With seven indigenous nations, Pastaza is one of the most culturally diverse provinces in Ecuador. We are working with several of these groups and the government to create protected areas in the Amazon and improve local livelihoods.

ZAPOTILLO, ECUADOR | This office is working to conserve the tropical deciduous forests of southwestern Ecuador. In concert with local communities, it co-manages our three major reserves protecting 57,000 acres, and carries out sustainable development programs such as harvesting and selling valuable oils from plants. We are also providing technical support for the government’s ambitious program to declare the entire region a Biosphere Reserve.

AMAZONAS, PERU | Our office is leading conservation initiatives in the Marañon Valley, home to one of the least protected ecosystems on Earth. We’re working to declare a number of protected areas in Amazonas and the neighboring Cajamarca region to conserve the many rare and endemic species found here. Two of the areas would conserve vital riparian and tropical deciduous forests along the Marañon River.

IQUITOS, PERU | We are working alongside the regional government of Loreto, Peru and local partners to gain national recognition for a network of Regional Conservation Areas (RCAs). The most recent is the vast Maijuna RCA, which is larger than California’s Yosemite Park and supports the indigenous Maijuna people. This office also works to protect the headwaters of Loreto’s rivers, and a map defining the areas to be protected was approved in April 2013.

YURIMAGUAS, PERU | Our office in Yurimaguas supports our partnership with the indigenous Shawi nation and the regional government of Loreto, Peru to protect more than 370,000 acres of incredibly diverse but highly threatened rainforest in the Amazon basin. This area is both a high priority for biodiversity conservation and an important watershed for the inhabitants of the Mayo and Paranapura river basins.

PIURA, PERU | This office focuses on three key ecosystems – coastal and marine, Tumbesian dry forest, and Andean cloud forest and paramos. Their major initiative is the creation of four marine reserves to protect 453,000 acres that host tens of thousands of migratory birds and endemic species. They are also working to create community and municipal reserves to protect key ecosystems and establish the Quiroz Water Fund to safeguard the region’s water supply.

UCAYALI, PERU | Our office is working to establish a system of conservation areas to protect the Amazon rainforest in this region. We’re helping indigenous groups protect Lake Imiria and create a conservation area in the rainforests of the upper Tamayo basin bordering Brazil. Over the past two years, we have worked with the regional government to cancel over 300,000 acres of timber concessions to enable the creation of a Regional Conservation Area.

ALAMOS, MEXICO | Our Alamos office is protecting the northernmost tropical deciduous forests in the Americas. Currently they are focused on enlarging our 14,000 acre Monte Mojino Reserve, supporting scientific research, and helping to protect the 250,000 acre Alamos Federal Reserve. They are also engaging community members and the local government to increase awareness of the reserve’s ecosystem services.
APPROACHES TO CONSERVATION

LAND PURCHASE | 74,839 acres

Many endangered rainforests and other habitats are in private hands, making land acquisition an important tool for conservation. Purchasing land requires a fair approach with property owners so that it is a welcome outcome for all. Through the acquisition of key land parcels, we have expanded existing national parks, created new nature reserves and helped preserve important watersheds.

COMMUNITY RESERVES | 292,615 acres

By working with indigenous communities to protect their ancestral homeland, we’re preserving their culture as well as the land that sustains them. We also work with Andean communities to protect their watersheds and help them implement environmentally-friendly agricultural practices that ensure sustainable livelihoods. We’re currently working with over 100 communities to conserve critical ecosystems in Latin America.

GOVERNMENT RESERVES | 5,895,807 acres

We work with Latin American governments at the municipal, regional and national level to help catalyze and implement long term, large scale conservation initiatives. Government reserves signify the highest level of protection, and the desire of leaders to develop sustainably while preserving their country’s rich natural history. Working with the governments of Latin America is an honor, and our close partnerships allow us to support them in implementing sound environmental policies.
WHY CULTURE?

Why do we work with communities? Because without their full support and engagement, conservation will not be effective, nor will it last. By working with them to create their own conservation solutions, we’re empowering them to take ownership over their land and livelihoods.

There is a common misperception that conservation is in conflict with development. While there are certainly challenges to every project, our work harmonizes people and nature so that they not only protect nature, but benefit from it. In many cases, it is the local communities that approach us because our conservation ethic and philosophy of empowerment resonates with them.

One example is our continuing work with the indigenous Shawi, who have lived for centuries in Peru’s western Amazon. To date, we have met with the heads of 26 Shawi villages to discuss conservation and sustainable development options for their region. As a result, the Shawi have invited us to help them obtain protection for their ancestral homeland under a shared conservation management approach. To support this effort, we opened a new office in Yurimaguas in 2012 to focus on their conservation needs.

By working with the regional government of Loreto, Peru and the indigenous Shawi, we have identified the Cordillera Escalera in Peru’s western Amazon as a high priority conservation area and an important watershed for those who live in the Mayo and Paranapura river basins. Its lush forests and jagged mountains undoubtedly hold species new to science, though it is threatened by deforestation. We’re confident that this project will result in long term protection for the region while supporting the wellbeing of the indigenous Shawi people.

HELPING THE INDIGENOUS AWAJUN PROTECT THEIR ANCESTRAL HOMELAND

We are working with twelve indigenous Awajun communities in Amazonas, Peru to create the Pamau Nain Conservation Area, which will protect 114,406 acres of rainforest. This reserve is a high priority area because it helps form an important corridor of protected land along the eastern Andean mountains, as well as the Cachiyacu watershed of central Amazonas.

In 2013, we hired well-known anthropologist Peter Lerche and Awajun leader Eduardo Weepiu Daekat. By working with the Awajun as trusted neighbors, they have made great strides toward establishing the protected area.

To ensure the implementation of effective conservation practices, we are helping to create the Pamau Nain Conservation Association, which will unite the leaders of Awajun communities to coordinate conservation, cultural and sustainable development activities in the region.

“The Awajun have been conserving their forests for over 3,000 years, they are the experts, and we need to look to them in regards to management of protected areas.”

- Peter Lerche and Eduardo Weepiu Daekat
Together with local communities, fishermen, and local and national governments, we are working to address the major threats to this unique ecoregion and secure long-term protection that can be adopted throughout the Eastern Tropical Pacific.

In 2013, we successfully submitted the documents needed for the creation of the Tropical Pacific Seas Reserve to Peru’s National Park Service (SERNANP), the first step in declaring it a protected area.

PIURA MARINE RESERVE
PROTECTING CRITICAL COASTAL AND MARINE HABITATS

We are working to establish Peru’s first marine reserve by protecting four critical marine areas known as the Tropical Pacific Seas Reserve along with the neighboring coastal areas of Sechura Bay. In total, this reserve will protect up to 453,000 acres.

These northern coasts protect roughly 70% of Peru’s marine biodiversity, including numerous endemic species. This region is home to tropical species such as marine turtles as well as temperate water species such as the endangered Humboldt Penguin. Peru’s coastal waters constitute the largest upwelling system on the planet and support one of the world’s largest fisheries – accounting for nearly 20% of global fish stocks.

This area faces severe threats including industrial pollution, unsustainable fishing practices and unmanaged tourism, posing an urgent need for its protection.
Water is essential to life. That’s why we’re linking water and forest conservation by helping governments and communities create a sustainable mechanism to finance the conservation of their watersheds. In southern Ecuador, we initiated FORAGUA, the first regional water fund. By integrating municipalities into a single conservation trust to collect water use fees, we developed an innovative financial mechanism for watershed management.

In 2013, an additional seven municipalities joined FORAGUA, which now totals 18 municipalities and protects 200,000 acres of forests that supply water to more than one million people.

After achieving success through this regional conservation initiative in southern Ecuador, we began working to replicate this model in central and northern Ecuador, as well as in Peru. In 2013, our work in the Azuay province of central Ecuador resulted in the protection of over 100,000 acres of forests as watershed reserves.

In northern Peru, we’re working with regional agricultural cooperatives to create the Quiroz Water Fund, which aims to protect more than 85,000 acres of Andean cloud forest and paramos. In 2013, the San Lorenzo Agricultural Association initiated the new fund by implementing a one percent tax for conservation purposes among its members. Two local municipalities, a regional association, and an international partner have joined in this effort, and we are now working with the five communities in the upper watersheds to create protected areas and implement sustainable agriculture and conservation practices.
Ecuador’s Nangaritza Valley connects the Andean cloud forests of Podocarpus National Reserve, a globally recognized biodiversity hotspot, with northwest Peru’s Cordillera del Condor and Amazon basin. The variety of these different habitats has yielded the highest number of threatened plant species unknown to science.

It is also one of the last remaining territories of the indigenous Shuar, who seek to maintain their cultural traditions through forest conservation. Unfortunately, the region is highly threatened by the proposed expansion of the Valley's sole road, as well as gold mining, illegal logging and the clearing of forests for pastures.

Our work helped establish the first community reserve that combines indigenous Shuar and agricultural communities under one conservation framework. This has given voice to the conservation goals and sustainable development aspirations of the indigenous Shuar.

With the help of funders like World Land Trust, we are also purchasing surrounding rainforest land that protects charismatic species such as the jaguar and tapir, and rare species such as the orange-throated tanager, to create an unbroken conservation corridor.

THE NANGARITZA VALLEY

In 2013, we purchased an additional 1,000 acres to expand the now 14,000 acre Monte Mojino Reserve, conserving an area of spectacular scenery and species-rich tropical dry forest near Alamos in Sonora, Mexico. This area is one of the least fragmented and most biologically diverse examples of a tropical deciduous forest in northern Mexico, and one of three key areas in Sonora for the endangered jaguar species.

Mexico’s National Park Service and the University of Querétaro conducted a monitoring survey that confirmed the presence of five elusive cat species within the reserve – the jaguar, ocelot, bobcat, margay and mountain lion. The presence of these keystone predators is critical to the integrity and balance of the surrounding landscape. Using camera traps, biologists are determining whether their populations are stable or declining, which will help us further protect this important habitat.

WORKING WITH RURAL COMMUNITIES

El Sabinito Sur, a small community just 10 miles east of Alamos, sits amid the tropical deciduous forest and is surrounded by beautiful vistas of the Sierra Madre mountains. Several of our rangers or guardabosques grew up in El Sabinito Sur and still live there with their families.

The people of El Sabinito Sur have a wealth of knowledge about tropical deciduous forests, the Río Cuchujaqui and its tributary arroyos, and the backcountry of Sonora. Each generation continues to pass along the skills necessary for living in a remote rural setting.

Now, the people of El Sabinito Sur are sharing their local knowledge with us, strengthening the reserve’s conservation activities and integrating the ethic of conservation into their community.
SOCIO BOSQUE
CREATING FINANCIAL INCENTIVES FOR CONSERVATION

We are increasing our work to help communities qualify for Ecuador’s innovative Socio Bosque program, which combines land conservation with enhanced social welfare through ecosystem service payments.

Private landowners and communities can obtain compensation from the national government in return for keeping critical ecosystems on their lands intact for 20 years. Under an agreement with the Ministry of Environment, we’ve helped 14 communities generate the applications to protect over 100,000 acres through Socio Bosque.

In return for their conservation efforts, these communities will receive approximately $1 million in ecosystem service payments annually. We are also building their conservation and economic proficiency through financial planning and sustainable forest management.

In 2013, we completed our largest project to date, protecting 47,500 acres of rainforest with indigenous Shuar communities. We are actively seeking to expand this program, with a goal to protect one million acres of Ecuador’s most biodiverse areas.

The average cost for us to help a community register land into Socio Bosque is just $1 per acre, making this a truly cost effective conservation solution.

“I want to tell the public that we have to think beyond ourselves, who are living in the present. We have to think of our children.”

– Evaristo Uwijint, former president of the Shuar Tayunts Association
One of our guiding principles is to improve the economic wellbeing of communities while conserving nature. This approach, which we call “productive conservation”, enhances a community’s quality of life through the sustainable use of natural resources in conjunction with environmental protection.

We’re helping Ecuador become a leader in the development and promotion of environmental goods and services through an innovative bio-knowledge program carried out with the government and local universities that links the conservation, research and production sectors of the economy. Through this multifaceted approach, Ecuadorian leaders hope to make their country a pioneer in conservation and the sustainable use of natural resources.

One example of these efforts is the Palo Santo program, where we are working with the communities of Malvas, Chaquito, Paletillas de Malvas and Totumos. Community members harvest the palo santo fruit in a sustainable manner (collecting only 10% of the fruit from each tree) and then extract the essential oils. These fragrant oils are sold to Natura, a large Brazilian cosmetics company that produces Amor America perfume, sold globally. We are working with local partners including the Technical University of Loja and a government office to develop additional markets for this product and increase the benefits that go to the communities.

In Peru, we’re working alongside communities to increase their rights over resources and improve their ability to reap tangible benefits from conserving natural areas. One of our flagship programs is improving the local economy by enhancing traditional products. We’ve helped female artisans improve the quality of the baskets they make from the Chambira palm tree, worked with communities to create jewelry out of “vegetable ivory” that is made from the tagua seed, and develop high-value uses of sustainably grown woods.

Sustainable methods implemented by communities with our support led to a 40% increase in fisheries stock in the Yanayacu basin over five years, and a 70% decrease in the destructive harvesting of palm tree leaves in the Tahuayo basin within four years.

“The work of NCI has raised awareness about the fact that we must take care of the forest and its natural resources.”

– Brígido Zapata, a farmer in Ecuador’s La Manga parish
FINANCIAL SUMMARY

- Revenues increased by 20% over the previous year, and operations by 20%.
- Our overhead costs were 7% (less than half that of most groups).
- 90% of our funds went directly to our offices in Latin America.
- Our net assets grew by $436,000.

We are grateful to our donors and partners and can assure them that their contributions achieve truly extraordinary results due to the dedication and proficiency of our teams in Latin America. We strive to be as efficient as possible, and believe that a dollar contributed to NCI conserves more of the natural world than it would with any other organization.

Sara Dozier, Treasurer

2013 Income Sources

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2013 Expenses

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STATEMENT OF ACTIVITIES FOR THE YEAR ENDED DECEMBER 31, 2013  (Unaudited)

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Ivan Gayler, founder and chair of NCI, is an entrepreneur and the founder of Del Mar Partnership. Since 1997, Ivan has led our efforts to protect millions of acres of tropical ecosystems. He previously served as president of the San Diego Museum of Man and as a member of the Director’s Cabinet of Scripps Institution of Oceanography.

David Welborn, vice-chair of NCI, is on the board of Hunter Industries and is the former president of San Diego Coastkeeper and member of the San Diego Foundation Environment Working Group. He is an avid outdoor enthusiast and kayaker.

Charles J. Smith, vice-chair of NCI, is an entrepreneur who has started five companies and one foundation. Charles is a co-founder and board member of the E.O. Wilson Biodiversity Foundation and previously served on the Director’s Cabinet at Scripps Institution of Oceanography.

Sheldon Engelhorn is an entrepreneur who co-founded a life sciences tool company (now part of Thermo Fisher Scientific). He is a regent of the University of California and a trustee of the UC San Diego Foundation. As a committed environmentalist, he has contributed his vision and expertise to the strategic direction and success of NCI for many years.

Doug Sheres is an investment professional and the managing director of Paramo Capital LLC. He is the former mayor of Solana Beach and active in a variety of community organizations. As a committed environmentalist, he has contributed his vision and expertise to the strategic direction and success of NCI for many years.

Ann Hunter Welborn is a chair of the board at Hunter Industries, a leading manufacturer of irrigation and landscape lighting equipment, and serves on the board of Rachel’s Network and the Sonoran Institute. She holds a PhD in depth psychology with an emphasis on mythological studies, and views all existence through that lens. She and her husband David have three daughters and five grandchildren.

David J. Winkler is an attorney, CEO of Del Mar Partnership, founder and chair of the Diabetes Research Connection and board member of the Melvin Garb Foundation. He has served on the board of the UCSD Foundation, UCSD Pediatric Diabetes Research Center, Scripps Whittier Institute for Diabetes, Coastal Community Foundation, and the San Elijo Lagoon Conservancy.

David Neill has lived in Ecuador since 1985, where he has been carrying out floristic projects, providing training to Ecuadorian botanists, and assisting in the development of the National Herbarium of Ecuador (QCNE). In the past he served as director of the Jatun Sacha Foundation, a non-profit Ecuadorian organization engaged in conservation, education and research.

“...The program of Nature and Culture is powerful because it is grounded in two fundamentals: conservation is achieved acre by acre, and it is most effective and sustainable when it enhances not just the economic, but also the spiritual needs of those who inhabit the land.”

– E.O. Wilson, famed naturalist and Harvard professor
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Regional Government of Piura, Peru
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And lastly, we’d like to thank the many generous individual donors who support our work to save the planet’s most valuable ecosystems.

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OFFICERS
Byron Swift, President
Renzo Paladines, Vice President and Director of NCI-Ecuador
Sara Dozier, Treasurer and Secretary

ECUADOR
Bruno Paladines, Community Development Program Coordinator
Fabían Rodas, Cuenca Coordinator
Felipe Serrano, Andes & Amazon Program Coordinator
Priscila Dávila, Head of Accounting
Juan Ordoñez, Chief of Administration
César Aguirre Torres, Environmental Lawyer
Galo Carrillo, Environmental Education Coordinator
Pedro Paladines, Administrator of Science Stations
Eduardo Cueva, Project Coordinator
Luis López, Project Coordinator
Trotsky Riera Vite, Zamora Coordinator
José Romero, FORAGUA Program Coordinator

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Mike McColm, Head of Amazonas Office
Alex More, Head of Northwest Peru Office
Neam Shany, Head of Northeast Amazon Peru Office
Bladimiro Tapayuri, Coordinator of Yurimaguas Office
Manuel Pezo, Chief of Finances, Northeast Amazon
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Paul Viñas, Andean Program Coordinator

MEXICO
Jennifer MacKay, Director
Lydia Lozano, Coordinator
Felix Garcia, Head of Field Operations

UNITED STATES
Silvia Usuriaga, Program Coordinator
Christine Andersen, Development Coordinator
Paula Moore, Office Administration

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UNITED STATES
1400 Maiden Lane
Del Mar, California 92014
Tel: (858) 259-0374
info@natureandculture.org

ECUADOR
Av. Pío Jaramillo y Venezuela
Loja, Ecuador
Tel: +593 (7) 257-3691 / 257-3623

AMAZONAS, PERU
Jr. La Merced C-7, Interior 3
Chachapoyas, Amazonas, Peru
Tel: +51 (41) 479-273

LORETO, PERU
Urb. Jardín N° 35,
Altura Cuadra 7 de Calle Brasil
Iquitos, Loreto, Peru
Tel: +51 (65) 231434

PIURA, PERU
Calle Los Tulipanes C-1 Lt 21 Interior 001
Urb. Santa María del Pinar
Piura, Peru
Fax: +51 (73) 333-694

UCAYALI, PERU
Carretera Federico Basadre Km. 4.2
Pucallpa-Ucayali, Peru
Tel: +51 (65) 9564-96273

ALAMOS, MEXICO
Francisco I. Madero S/N Col. Las Palmas
C.P. 85760 Álamos, Sonora, Mexico
Tel: +52 (64) 742-81600