

Annual Report

Fiscal Year 2005
July 1, 2004 - June 30, 2005



**Organization for
Tropical Studies**

The OTS Education Program

Ed Stashko, Academic Director

The Education program serves a wide array of students and professionals that have come to see OTS as a reliable provider of education, training and research opportunities. A dedicated staff is responsible for maintaining the high standards that participants expect and that we continually challenge ourselves to enhance. As we are engaged in a vital strategic planning process to be followed by a review of education programs, we find ourselves reaching stability in some areas but facing significant challenges in others.

Graduate Education

Our graduate program provided a substantial set of offerings that attracted 317 applicants for 132 spots with the greatest competition found for courses conducted in Spanish. We were able to offer 43 research fellowship grants. Of these 31 were post-course awards which allow students to continue to apply their recently honed research skills. As the programs most associated with the identity of OTS, the challenge we face is continue to ensure the quality of program delivery, evolve the programs to maintain a leadership position, confirm that the programs are serving the needs of the students and the OTS consortium, and support the long-term financial viability of the programs. We have tried to reduce costs where possible and streamline operations. This year we have been able to create an electronic application review process, and we plan on completing the conversion to an all-electronic application system this year as we have for the undergraduate program. As we try to reduce program costs, we have explored a number of options, but we have been able to maintain the core programs as eight weeks programs. To ensure that the fellowship research awards can be given to students at meaningful levels, we have almost exclusively reserved the grants for students from the consortium and course alumni (the only exceptions being grants from previously restricted endowments).

As the Mellon Foundation funding for graduate education ended after the Spring 2006 courses, we have been seeking new and diverse sources of support. The OTS fundamentals courses, have in the past and we believe still, offer a unique opportunity to learn how to do field research in the tropics. Led by permanent coordinators and enriched by visiting faculty, we have been able to offer courses that consistently hit the mark on quality, safety and budget management. By employing a hypothesis testing paradigm, we challenge students to hone their problem-solving, critical thinking, experimental design, and communication skills. By having them experience a variety of tropical ecosystems, based

at our field stations, and engaging them with a variety of experts in the field, they receive a unique blend of skill development that serves as a launching pad for their careers. In the years ahead we hope to be able to expand our graduate course offerings to include specialty graduate programs. We will also address the need to create a sustainable long-term financial model for our graduate education program that will likely include scholarships for our consortium students and an endowment for our core courses.

Undergraduate Education

During FY05, we enjoyed the continued contributions of a top-quality, dynamic teaching staff, including Resident Professors and summer program Coordinators. Our current staffing model, first implemented in FY04, has facilitated greater exchange between undergraduate and graduate programs. Student satisfaction with program academics and content continues to be very high, and application numbers have taken a decisive upward turn, especially for the Semester Program. Our undergraduate program achievements are detailed as follows:

NSF Research Experiences for Undergraduates (REU) 2004 Coordinator: Elizabeth Anderson Olivas

A total of ten undergraduate students from ten different U.S. institutions were awarded REU fellowships to conduct ecological research at La Selva Biological Station, Costa Rica. These students worked under the supervision of ten mentors and five co-mentors. A primary goal of the REU program was to provide students from a diversity of backgrounds with hands-on experience in all aspects of scientific research, as applied to ecology. Four of our ten students were from underrepresented groups in the sciences, including two Hispanic Americans, one African American, and one Native American. Research topics ranged from stream ecology to animal behavior to forest dynamics to plant-insect interactions. Students also participated in a weekly seminar series on research in tropical ecology and an ethics activity series. In general, students benefited from the international atmosphere at La Selva during the REU program.

CRUSA Research Experiences for Undergraduates (REU) 2004

Coordinator: Elizabeth Anderson Olivas

This was the second consecutive year that the NSF REU program ran concurrent with a similar REU program for Costa Rican undergraduate students, funded by the Costa Rica - USA Foundation. Ten Costa Rican students from major Costa Rican

universities (including UCR, UNA, UNED and ITEC) participated in the program, working with individual mentors from both Costa Rican and U.S. universities. The CRUSA REU program allowed ample opportunities for scientific exchange between Costa Rican and U.S. students. In December of 2004, students presented their final project in a professional symposium at La Selva. The program, which was funded for two years, met all of its stated goals and finished with a surplus of approximately \$26,000 in December. This surplus will allow us to continue the program for one more year.

Summer Ethnobiology 2004

Coordinator: Luis Diego Gómez

The Ethnobiology 2004 edition ran in the six-week mode for the first time. It included three weeks of intensive Spanish language training at the onset. The Costa Rica Language Academy provided one week of Spanish classes in San José and two weeks at Las Cruces. To develop the full syllabus of Field Ethnobiology, six weeks proved to be adequate, allowing the instructors to cover most of the theoretical aspects in the first three weeks, with one day outings to indigenous communities in the area of Las Cruces, and longer visits to communities elsewhere in the country. Overall, student evaluations of summer Ethnobiology were excellent. For summer 2005, we will proceed once again with this six week model. As of this writing, we have 19 applicants for summer Ethnobiology 2005.

Fall 2004 Semester Abroad Program

Resident Professors: Erika Deinert, Mauricio Garcia, and Rakan Zabawi

Fall 2004 was a dynamic, smooth and successful program. The program welcomed 28 students from 21 colleges and universities in the United States, Puerto Rico and Costa Rica. Participation of three of these students (one Hispanic American, one Puerto Rican, and one Costa Rican) was made possible by the Mellon Minority Scholars Program. Field sites visited included Las Cruces, Cuerici (Cerro de la Muerte), La Selva, Monteverde, Ometepe, Palo Verde and Santa Rosa. Staff and faculty worked well together, and students were very satisfied with most all aspects of the program. As a special thank you at the end of the program, students organized a donation to the Monteverde Conservation Association in honor of OTS staff and faculty.

Spring 2005 Semester Abroad Program

Resident Professors: Mauricio Garcia, Erin Lindquist, and Rakan Zabawi

This semester's group included 29 students from 19 colleges and



universities across the United States. They have proven an energetic and dedicated group, with a variety of academic interests including ornithology, herpetology, ethnobiology, and environmental policy. In addition to studying Spanish four days a week, students received lectures in biology and environmental policy once a week in the new OTS Simons Center on the UCR Research Campus. Field sites visited this semester included Monteverde, Ometepe, Cuerici, Las Cruces, Cabo Blanco, Palo Verde and La Selva.

Spring 2005 Semester Abroad Program

Resident Professors: Deedra McClearn, Laurence Kruger, and Julie Coetzee

In South Africa our spring semester abroad program consisted of 18 students from the U.S. and six from South Africa. The students worked at several sites, including Nylsvley (high elevation savanna and RAMSAR site), Wits Rural Facility (low elevation, rural community, densely populated), Skukuza (Kruger National Park—KNP—headquarters), Shingwedzi (northern KNP mopane veld), Cape Town (Robben Island, Table Mountain, Kirstenbosch Garden, Cape Town township, Cape Point), DeHoop Nature Reserve (Indian Ocean intertidal zone and coastal fynbos vegetation) and Kruger National Park. At Kruger we spend a total of seven weeks within the park. We must transport students in vehicles on a daily basis and provide staff housing. With support from the Andrew W. Mellon Foundation, we completed construction of a two-bedroom unit in the staff village in the Park. We have also created a library, office (including computers), and equipment inventory with funds from this grant.

Environmental science and policy program

The Environmental Science and Policy Program (ESP) had a very full year as we continued offering our decision-maker and

protected area management courses while using new grant funds to develop new competencies. We are in the final stages of completing an assessment of the training needs for protected area managers and decision-makers in the Andes and Brazil, and with funding from the Moore Foundation and the MacArthur Foundation, we are:

- Developing new partnerships with host country institutions for program development,
- Responding to calls to develop training-for-trainers programs, and
- Reaching out to the resources available within OTS consortium.

Protected Areas Management Training

Resident Coordinator Leandro Castaño and Dr. Victor Hugo Inchausti, former protected areas specialist for Conservation International's Andes program.

OTS 6th Spanish-language Tropical Wildlands Management course, *Manejo de Areas Silvestres Tropicales*, ran March 6-April 3, 2005. Fifteen participants from seven countries Colombia, Costa Rica, Cuba, Ecuador, Mexico, Panama, and Peru undertook the four-week course at various protected areas around Costa Rica. The course emphasizes establishing a framework of fundamentals - with key topics such as ecological principles, site-based planning, monitoring and assessment, habitat restoration, public participation, conflict resolution, communication and outreach, business administration, fundraising, and management planning, among others. This year's course was once again supported by U.S. Fish and Wildlife with additional scholarship support from Conservation International and some tuition paid by participants.

The Costa Rican course was the model for a course held in Peru in May. The first of two protected areas courses under the Moore project included fifteen Peruvian protected areas staff, principally managers or senior technical/section heads and ran April 24 - May 22, 2005. In addition, the head of training for the Peruvian Intendancy for protected areas participated in helping to organize and implement the course. Importantly she had attended OTS training for trainers course some months before (see below) so that the delivery of the course represented an opportunity for a more advance practicum. The success of this course from the point of view of participants and the Peruvian protected areas authority has led to OTS

participation in an advisory capacity on the implementation of Peru's five-year protected area capacity building plan.

Decision Maker Training

The 17th U.S. Decision Makers Course, *Conservation and development in tropical countries: insights and implications - OTS 8-05*, took place Memorial Day week (May 29 - June 4, 2005) in Costa Rica. The 13 participants were representatives of personal and committee staff from the U.S. Congress, Dept. of State, Commerce and Interior, U.S. EPA, and Fish and Wildlife, and Forest Service, as well as conservation NGO. Participants visited several sites including La Selva and Palo Verde treating themes such as protected areas and sustainable forest management, payments for ecosystem services, fundamentals of conservation science, sustainable agriculture, bushmeat, invasive species and wetland restoration among others. A marine site was included for the first time where participants were rewarded with an unexpected close up view of several marine turtles; an unanticipated tie-in to the marine conservation science and policy presentation that followed. The course was led by Andrew Chek (OTS) and Katrina Brandon (Conservation International). Visiting faculty included Gunnars Platais of the World Bank and Costa Rica's Energy and Environment Minister Carlos Manuel Rodríguez.

The Moore project allowed OTS to continue a successful collaboration with the Institute for Amazonian Investigation and it's Biological Dynamics of Forest Fragments Project (INPA-BDFFP) through a decision makers course for Brazilians, *Ecological Principles for Decision Making in Amazonia*, June 15 - 19, 2005. Nineteen participants, principally from Federal, State and Municipal government agencies attended the course based out of Manaus.

Using the paved highway BR-174 that links Manaus to Venezuela's border as a means of literally linking course themes, the course treated deforestation, forestry and certification, land colonization, use and planning, indigenous peoples and environmental monitoring, models of economic development and community forest management and ecological principles. The course was led by Dr. Rita Mesquita of the Department of Environment and Sustainable Development for Amazonas State, Marcelo Marquesini of Greenpeace Brazil and Domingos Macedo, who is training coordinator at the BDFFP project and an alumnus of the OTS Training for Trainers program.



The NAPIRE Program



This summer 14 Native American and Native Hawaiian college students from six minority serving institutions received hands on training in tropical biology in Costa Rica in a new program supported by OTS and LSAMP. The students were an enthusiastic and diverse group, seven men and seven women representing 11 ethnic groups from Alaska to the Big Island of Hawaii and from the east coast to the central plains tribes.

This five week program, named NAPIRE, was conceived as a multidisciplinary experience in which students were introduced to patterns and processes of tropical ecosystems, and met with members of local native communities to learn about conservation dilemmas in tropics. Combining the natural sciences with the human aspects of conservation created a program with strong appeal for minorities. *“The program was interesting to me because it dealt with conservation issues, resource management, and it offered the opportunity to visit and interact with local communities”* said Leilani Digmon, from the University of Hawaii at Manoa, about her decision to apply for this internship.

During the program, participants worked on group research projects under close supervision. The program staff consisted of seven professors with a wide range of scientific research interests and a strong commitment to teaching. Two of the professors were Latin American natives, four teach at minority serving institutions, and five have research projects in tropical regions.

The research topics developed during the program included water quality and environmental health, biodiversity, microhabitat selection by fresh water fish, ant-plant interactions, forest fragmentation, and bird ecology. The diversity of field projects allowed the participants to explore a variety of ecological concepts and field techniques. Participants gathered data in small research teams, which encouraged the exchange of ideas and cultural perspectives.

“The highlights of this program for me were a better understanding of ecological conservation, meeting other indigenous peoples and learning first hand about biodiversity” concluded Justin Parisien, an environmental major from Sitting Bull College, North Dakota.

While at Las Cruces Field Station, the participants learned basic field sampling and monitoring techniques, assessing biological diversity in different habitats within the reserve. In addition, the program provided training and access to sophisticated field equipment, such as the YSI 600 Series Multi-parameter Probe, that records chemical and physical characteristics of water. Students such as Medley Lee, from the Southwestern Indian Polytechnic Institute and Linda Trefren from the University of Alaska at Anchorage, showed great interest and aptitude in learning how to calibrate and record data using this valuable piece of equipment.

The interest and commitment to the scientific research they were conducting at the station was enhanced through cultural exchange with the local communities as indicated by the impressions of Jade Ducheneaux, a first year student at Sitting Bull College: *"When visiting the Boruca community in Costa Rica and learning about the problems associated with the dam being built on their land, I was quick to realize the same thing happened to my people, the Cheyenne River Sioux Tribe (Minneconju) people of South Dakota. The main difference is that the onset of this conflict is about sixty years later."*

In Panama the students visited the Naso community, a small tight knit group that lives in a forested area about four hours upstream from the nearest town. Traveling by dug out canoe to stay in the ecological reserve run by the Naso was an eye opening experience for all the participants. They traveled 4 or 5 per canoe, upstream in a fast moving river, dodging rocks and navigating rapids and shallow parts. At certain parts of the trip the students had to get out and help push the canoe or walk along the river's edge to catch up with their boat in a calmer stretch of the river.

The remote jungle camp where the Eco- preserve is located was used as a training ground for Panamanian soldiers, and the students were amused by the camouflage décor of some the abandoned buildings and the paintings of snakes and machetes on some of the crumbling old walls. The guest buildings however, are new and built with attractive native materials such as palm roofing and bamboo walls. The evening meal of a delicious local fish was held by candle light under a thatched roof structure. The sense of accomplishment over the long trip was still in the air as we discussed the next day work schedule. This kind of active long day was typical of the program schedule, which usually involved morning field work, afternoon data summary and evening lectures.

But perhaps nothing reflects better the nature of the pro-

gram than the willingness of the participants to share their knowledge of traditional culture with each other and with visitors to the program. Participants spontaneously shared their native chants and dances with the native peoples, thus making this cultural exchange highly significant for both the students and the local communities that hosted their visits.

"The cultural exchange was magical," said Jennifer Tadina, a student at the University of Hawaii, who led the students in impromptu hula dance presentations at the native communities. *"This experience has truly motivated me to become more educated about the issues that many indigenous people face and use my knowledge in a way that will positively impact the world even if just in a small way."*

Participation in the program strengthened the students' research skills and sparked their interest to continue in the sciences. For some students, like Dustyn Whitecrow Williams from Haskell University KA, the experience gained identifying and collecting specimens in Costa Rica helped him prepare for the botany course he is currently taking. *"The wonderful thing is that a lot of the work I have to do for my "Plants of Kansas" class is similar to things we did in the program, that helps a lot, especially since I am taking 18 credits this semester"*.

Already, only a couple months after completing the program, three students are considering applying for a semester program through OTS and one has already enrolled in Spanish classes to prepare for this opportunity. Additionally, one student transferred this semester to a four year college to continue as science major. One student is planning to attend a semester exchange program at another university to evaluate his interest in environmental biology. And finally, three students have expressed interest in continuing to work with one of the faculty mentors in a comparative research project that would build on the results obtained in Costa Rica.

The integration of science with culture and conservation produced a well-rounded perspective on difficult issues such as conservation and protection of biodiversity. *"Through my participation in this program I was able to see how interconnected the natural sciences are to cultural and environmental preservation and am more likely to study these areas in the future"* said Leilani Digmon who is currently enrolled in Ethnobotany at the University of Hawaii.

La Selva Biological Station

NOVEMBER 2004 - SEPTEMBER 2005

Deedra McClearn, Station Director



Overview

Luis Diego Gómez served as Scientific Director of the station throughout the fiscal year 05. He oversaw the advances in the activities of the Digital Florula, the GIS lab, and Informatics. He also analyzed the status and needs of the library, the laboratories, and the various storage areas. The NSF grant he submitted to upgrade laboratory equipment at the station is still under review. We are grateful to Luis for his impressive efforts on behalf of La Selva and for his tireless advocacy of scientific excellence in all OTS endeavors. Luis continues a supervisory role with the Digital Florula, a temporary directorship of the Las Cruces station, as well as his teaching and research activities.

New Director

Deedra McClearn started in her position as Director of La Selva on July 1, 2005 after two years spent in South Africa on the OTS undergraduate semester abroad program. The major priorities for the first three months of FY06 have been the LSAC meeting (held September 23-24, 2005), anticipation of the NSF "maintenance grant" renewal, continuation of several initiatives developed by La Selva scientists in the past, and initiation of new projects.

Specific Projects

Grants. Several new grants funded: bat metabolism (Voigt, DFG), Bosques III (Chazdon et. al., NSF), Ciclos (Oberbauer, D.A. Clark et. al., NSF Biocomplexity), Lidar small footprint

(Dubayah, D. B. Clark et. al., supplement to NASA), mites and palms (Tschapka, DAAD). Several grants pending include: ALAS IV (Colwell, Longino, NSF), Ecos II (Russell, Raich, NSF), lab instrumentation (Stone/Losos, Gómez, NSF), Streams (Pringle, NSF LTREB).

GIS. More than 40 images from 9 different sensor types. Use of databases by more than 50 universities and 12 organizations in the past year.

Florula. Addition of more than 4,000 digital images since last year. Total number of images now 14, 238. Total number of Family treatments written 57. Number of species now at 1,937. Two search engines developed for keying specimens (one based on characters and one based on taxonomy). Orchid shade house established, currently with approximately 50 species of La Selva orchids. The Florula website has an average of 111.35 hits per day.

Informatics. Internet bandwidth to San José 1024 Mbps. LAN 150 points distributed in all buildings. Wireless network 10 access points (academic center, old lab, new lab, Orquidea, Ceiba, dining room); and 40 computers (10 for public use).

San Juan La Selva Corridor. Continued involvement by La Selva scientists after Bob Matlock's intellectual investment and support. McClearn, Snyder, and Zamora currently on the Inventory Committee for Maquenque Refugio de Vida Silvestre. Plans for surveys of plants, invasive plants, small mammals, amphibians, and reptiles.

Fundraising. La Selva campaign materials developed (donor cards, donor gifts, fundraising posters). Target for FY06 \$30,000.

Environmental Education. New program, Adriana Quiros

(from Ciclos and Team grants) working with Sacro (Costa Rican orchids), Tirimbina, and other groups. Developing range of teaching materials for next year. Several visits from local school groups to station already accomplished.

Alien Invasives. New program based on strong past concerns of Jack Ewel and others and current prioritization by McClearn. Orlando Vargas coordinator. Research and control components. Special funds will be sought to support this initiative. Currently targeting invasive Asian bananas, coffee, and *Banisteriopsis*.

Trail Survey. Three South African interns (from OTS South Africa program) working on trail impact survey under supervision of Marcia Snyder (GIS). Update of survey completed in 2000 by Mateo Clark. Every 50 m of trail assessed for erosion, missing signs, other impact. Evaluate changes in past five years since paving of some trails, etc.

Priorities for FY06

- maintain and improve station funding (NSF, new sources)
- strengthen all data management (metadata, weather station, etc.)
- take measures to improve all services to courses
- take measures to improve all services to investigators
- streamline permitting process
- improve community and regional involvement
- foster professional development for La Selva employees
- support integration of La Selva with CRO / NAO / other stations
- upgrade labs and library
- focus on alien invasives
- continue search for online journal access
- improve communication at all levels

This is an important time for La Selva. The decisions we make this year about our vision for the station (and for OTS in general) will affect our strategies for solving station problems in the short term and will also influence the direction of teaching, research, and use of natural resources in the neotropics for the next generation.



Las Cruces Biological Station

Luis D. Gómez P., Director A.I.



Facilities

The former Director's House has been modified to separate living quarters from the library and herbarium. Modifications include putting up a wall to separate an apartment with two bedrooms, bathroom and office from the rest of the house. This apartment will be reserved for the use of the new director of the Station; in the meantime, it is being used occasionally to house staff members from the courses when in need of extra space. The library side of the building has enough space for the contents of the library, with a lot of free space to grow, space for an office and a room that will be converted into the herbarium. The library and herbarium will have air conditioning, and the necessary modifications to the windows have already been made.

As a consequence, when the library is removed from the second floor of the Wilson House, the empty space

will be suitable for building walls to increase the number of rooms for students.

The shade houses and storage building have not been renovated since the 1960's. Due to a number of situations, these buildings demanded prompt action; the first to be fixed was the shade houses a few years ago. During FY05 we were able to rearrange space in the potting building to accommodate tools and materials used by field workers. The building has enough space to store machinery and other tools for maintenance of the garden area, and a section has been isolated as a safe and dry storage area for organic products and planting soil. This improvement was possible through donations from the Stanley Smith Fund for Horticulture and other sources.

New improvements in informatics have also been made, particularly looking for more efficiency in the equipment and assigning a person to be in charge of

managing the equipment and informatics processes of the Station. Las Cruces has been the first of the OTS stations in having all its administrative personnel using a software devise to make calls through internet in order to reduce the cost of phone calls. Also, Las Cruces has been the first to establish wireless connections among most of the facilities to increase the usage of the local network through wireless access points. Unfortunately, the location of the cabins makes it difficult to reach these access points. Plans for FY06 include improvements in the speed of the internal network from 10kbps to 100kbps, by changing the switches and optic fiber converters.

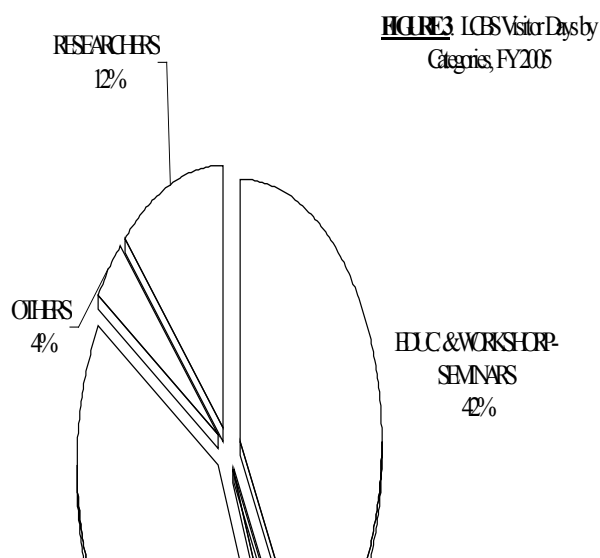
Databases, Library and Living Collections

In February 2005, we started moving the technical library of the Station to the director's house. The total number of books contained in the library to date is 1,225. They cover a wide variety of subjects. Almost all of the book titles are included in an electronic database to facilitate searching for and locating the books. The journal collection includes 200 titles and more than 2,500 issues. The collection of theses includes a total of 65 works, of which thirty eight are projects done at Las Cruces or its surrounding area of influence.

The living collections at the Wilson Botanical Garden are being maintained in good conditions. Work has been done in relation to controlling the shade by cutting large trees and opening more space for the understory plants and to improve the view from the cabins. Work has been done remodeling the areas near and around the cabins, and in sections like the lily garden, bromeliad hill, cord lines' area and some of the trails. The beds are being defined better because their edges had been eroded, and mulch made from leaf litter has been applied to the beds, with satisfactory results in relation to controlling weed around the plants.

Environmental Education and Outreach

During Fiscal Year 2005 the Station received a total of 311 participants in the Garden as a School Program, from 12 institutions from the Coto Brus County and other places: 5 groups from elementary schools, 6 from high schools and one from a university. Of the total of participants, 73% were students under 18 years of age, and 27% were adults, most of them accompanying their school children. 60% of all the participants were females. Plans for a meeting with the Educational Super-



visors of the county are being made to establish a link between the schools and the station and to offer again the botanical garden and the forest reserve as an open classroom where the teachers can bring their students to learn about the natural environment.

Research

During Fiscal Year 2005, a total of 28 research projects were associated to Las Cruces Biological Station and/or its surrounding areas, conducted by a total of 27 researchers. The projects cover subjects such as sex expression in begonias, bird, bats, bees and butterfly diversity, distribution and movements in various environments, nesting behavior of different species of birds, paleontological survey of the Coto Brus County, and chemical contents, distribution and growth patterns of several species of plants.

Visitation

The visitation in this fiscal year has had a small increase of 6% from the last fiscal year. The categories of users remain similar in percent points to those of other fiscal exercises: Courses and Academic groups 42%, NHV 40%, Researchers 12%, others (including special events, Environ. Ed., etc.) 6%. It is very important to see that the academic activities had an increase during FY 2005 reflected in the visitation. Out of about ten fiscal years, this is the first one that the visitation from courses and academic groups is higher than the natural history visitation.

Palo Verde Biological Station Report

November 2004-September 2005

Eugenio Gonzalez, Station Director



Figure 1. Board walk to access the marsh. (Photo E. Gonzalez, June 2005).

FACILITIES

During FY05 efforts were mainly dedicated to maintaining existing facilities; however, a couple of improvements are worthwhile to mention:

- Wireless access to the internet from several locations within the Station. Additionally, efforts have been made to increase the internet speed connection from 128 kbps to 256 kbps.
- Construction of a 50-m wooden board walk on gabions filled with boulders to access the Palo Verde Marsh was completed by the end of April 2005.

New initiatives for the Tempisque River Basin

- In a joint effort with CONARROZ (Corporacion Nacional Arroceras) and INA (Instituto Nacional de Aprendizaje), we have been collaborating in a demonstration project on mechanically transplanted rice as a friendlier alternative for the environment. We received funds from CRUSA,

totaling some \$10,000/six months.

- The proposal submitted on November 2004 to USFWS Migratory Act for nearly \$120,000 for two years, was financed. Through this project, which is currently underway, two main components will be developed: 1) a training program on wetland management and restoration especially designed for Central American wetland managers (http://www.ots.ac.cr/en/paloverde/curso_restauracion.shtml) and 2) restoration activities of Palo Verde wetlands.
- In August 2005 we participated with the project "Restoration of Palo Verde Marsh" in the III Ford Motor Company, Conservation and Environmental Grants 2005. The grant is for \$12,000 and will be used to continue the monitoring of the restored marsh. Final results have not been announced yet.
- In early September 2005 we submitted through NAO a proposal to Tinker Foundation seeking funds to foster the participation of local communities and entrepreneurs in the restoration, conservation and protection of river stream corridors and recharge areas in the Tempisque lowlands. We are requesting \$142,000 for two years.
- In late September we submitted the proposal "El recurso hídrico como medio de transformación social en la cuenca del Río Tempisque" to the Banco Nacional de Costa Rica. With this we are requesting \$115,000 for two years and is intended to develop an environmental education program for the communities and schools around the Station.

VISITATION

Total visitation for FY05 was very close to the average of the last three years. It calls the attention that two main visitor categories, researchers and academic groups, are dropping slightly regarding previous year, though higher than before. This difference with FY04 could be due to the fact that Station based projects such as those sponsored by CR-USA, AVINA and US-FWS finished late 2004 and we are

not supporting young researcher nor workshops or related training events through projects.

Table 1 Total person days per category for Palo Verde, FY02- FY05.

Visitor category	FY02	FY03	FY04	FY05
Researchers	663	553	1328	502
Education & Workshop	3919	3706	4314	3277
Natural History	364	451	1107	1156
Staff & Guest	330	535	252	375
Other	20	36	32	12
Total	5296	5281	7033	5322

Source: Station Visitation Reports

PROJECTS HIGHLIGHTS

Restoration and management of the Palo Verde marsh

The response of the waterfowl to the restoration was astonishing during the last dry season. According to monitoring accounts done from January to March 2005, over 65,000 individuals of some 50 species were observed in the marsh. The numbers are the highest registered since the restoration was started and close to the numbers reported back in 1979, when the wetland was fully open. These successful results called the attention of national and international news media and some reports can be accessed at: <http://www.ots.ac.cr/images/en/library/prensa/2005/nacion7marz2005b.jpg>, <http://www.ots.ac.cr/images/en/library/prensa/2005/nacion7marz2005.jpg>,

Environmental flows for the Tempisque River

We organized and hosted a one-day national workshop to present the main findings of the study supported by UICN considered the first approach to estimate an environmental flow for the Tempisque, which integrity is severely threatened by the over use of water (21.5 m³/s granted for irrigation against 8.5 m³/s of the river flow). Additionally, we organized a short course on environmental flow using the Tempisque River as case study. The event, especially planned to train watershed managers and water resource administrators from South Mexico, Guatemala, El Salvador and Costa Rica, was also sponsored by UICN and based at Palo Verde.



DEVELOPMENT

Annual Fund

In fiscal year 2005, OTS received a total of \$299,608 in unrestricted gifts, otherwise known as the Annual Fund. Gifts to the Annual Fund are especially important to the overall health of the organization, as they support on-going operations in the U.S. and Costa Rica.

Restricted Grants and Contracts

The following grants and contracts were awarded in fiscal year 2005:

Funding Source	Grant	Amount
National Science Foundation	Research Experiences for Undergraduates II (REU)	\$430,063
National Science Foundation	Research Experiences for Teachers Supplement (RET)	\$41,046
National Science Foundation	LIDAR Project	\$22,680
National Science Foundation	Research Experiences for Native American and Pacific Islander Students	\$148,898
National Science Foundation	Research project: Complex Interactions among water nutrients and carbon cycles and fluxes (Subcontract with FIU)	\$346,970
National Science Foundation	Collaborative Research with U. of Connecticut: Causes and consequences of tree colonization	\$130,549
U.S. Fish and Wildlife Service	Training in Wetlands Management	\$119,581
The Andrew W. Mellon Foundation	Graduate Education Training	\$300,000
The Andrew W. Mellon Foundation	South Africa Undergraduate Program and Graduate Education	\$550,000
Costa Rica-United States Foundation	Digital Flora	\$72,000
Duke Energy	Minority Scholars	\$15,000
William Kemper Trust	Richard H. Simons Center	\$5,000
Korein Foundation	Richard H. Simons Center	\$5,000
Gordon and Betty Moore Foundation	Foundations for Professional Capacity Building	\$528,000
Grace Jones Richardson Foundation	Richard H. Simons Center	\$5,000
Rowe Family Foundation	Graduate Research Fellowships	\$25,000
Total		\$2,744,787

Donors

A special thank you to the following individuals, foundations, corporations and government agencies their support in fiscal year 2005. It is through this support, both restricted and unrestricted, that OTS can continue to provide leadership in education, research, and the responsible use of natural resources in the tropics.

In addition, many thanks to our Friends for various forms of in-kind support given to the organization. These gifts included equipment, books and periodicals, research equipment, artwork, photography, and services. A special thank you to the members of the OTS Board of Directors, Assembly of Delegates, Board of Visitors, and committees associated with OTS for their generous donation of time and expertise and for absorbing many of the costs associated with their involvement in OTS.



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ORGANIZATION FOR TROPICAL STUDIES, INC.
AND SUBSIDIARY

Consolidated Financial Statements

June 30, 2005 and 2004

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Koonce Wooten & Haywood, LLP
CERTIFIED PUBLIC ACCOUNTANTS

The Board of Directors
Organization for Tropical Studies, Inc.
Durham, North Carolina

INDEPENDENT AUDITORS' REPORT

We have audited the accompanying consolidated statements of financial position of Organization for Tropical Studies, Inc. (a not-for-profit organization) and subsidiary as of June 30, 2005 and 2004 and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended. These consolidated financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall consolidated financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Organization for Tropical Studies, Inc. and subsidiary as of June 30, 2005 and 2004, and the changes in its net assets and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Our audit was conducted for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The consolidating schedules of financial position and consolidating schedules of activities are presented for purposes of additional analysis and are not a required part of the basic consolidated financial statements. Such information has been subjected to the auditing procedures applied in our audits of the basic consolidated financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic consolidated financial statements taken as a whole.

Koonce, Wooten & Haywood, LLP

Raleigh, North Carolina
October 17, 2005

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CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

ORGANIZATION FOR TROPICAL STUDIES, INC. AND SUBSIDIARY
Consolidated Statements of Financial Position
June 30, 2005 and 2004

ASSETS

	2005			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
CURRENT ASSETS:				
Cash	\$ 1,707,069	\$ 585,734	\$ 944,179	\$ 3,236,982
Accounts Receivable--net	117,302			117,302
Grants and Contracts Receivable	141,224	604,116		745,340
Promises to Give--net	300	127,235		127,535
Prepaid Expenses	124,695	1,587		126,282
Inventory	44,463			44,463
Total Current Assets	<u>2,135,053</u>	<u>1,318,672</u>	<u>944,179</u>	<u>4,397,904</u>
PROPERTY AND EQUIPMENT:				
Building and Improvements	2,503,733			2,503,733
Land and Land Improvements	1,261,688			1,261,688
Equipment	637,780			637,780
Vehicles	104,933			104,933
Furniture and Furnishings	46,209			46,209
Total	<u>4,554,343</u>			<u>4,554,343</u>
Less Accumulated Depreciation	<u>1,828,470</u>			<u>1,828,470</u>
Net Property and Equipment	<u>2,725,873</u>			<u>2,725,873</u>
OTHER ASSETS:				
Promises to Give--net		187,775	150,375	338,150
Investments	<u>925,174</u>	<u>555,208</u>	<u>3,541,946</u>	<u>5,022,328</u>
Total Other Assets	<u>925,174</u>	<u>742,983</u>	<u>3,692,321</u>	<u>5,360,478</u>
Total Assets	<u>\$ 5,786,100</u>	<u>\$ 2,061,655</u>	<u>\$ 4,636,500</u>	<u>\$ 12,484,255</u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES:				
Accounts Payable	\$ 122,791	\$	\$	\$ 122,791
Accrued Payroll and Related Liabilities	518,049			518,049
Deferred Revenue	<u>179,359</u>			<u>179,359</u>
Total Current Liabilities	<u>820,199</u>			<u>820,199</u>
LONG-TERM LIABILITIES:				
Deferred Revenue	91,776			91,776
Accumulated Postretirement Benefit Liability	<u>177,694</u>			<u>177,694</u>
Total Long-Term Liabilities	<u>269,470</u>			<u>269,470</u>
Total Liabilities	<u>1,089,669</u>			<u>1,089,669</u>
NET ASSETS	<u>4,696,431</u>	<u>2,061,655</u>	<u>4,636,500</u>	<u>11,394,586</u>
Total Liabilities and Net Assets	<u>\$ 5,786,100</u>	<u>\$ 2,061,655</u>	<u>\$ 4,636,500</u>	<u>\$ 12,484,255</u>

The accompanying notes are an integral part of the consolidated financial statements.

2004			
Unrestricted	Temporarily Restricted	Permanently Restricted	Total
\$ 972,022	\$ 1,366,439	\$ 833,265	\$ 3,171,726
111,365			111,365
116,915	298,699		415,614
	29,725		29,725
69,047	1,625		70,672
33,745			33,745
<u>1,303,094</u>	<u>1,696,488</u>	<u>833,265</u>	<u>3,832,847</u>
2,506,775			2,506,775
1,261,738			1,261,738
701,309			701,309
90,186			90,186
51,294			51,294
<u>4,611,302</u>			<u>4,611,302</u>
<u>1,739,528</u>			<u>1,739,528</u>
<u>2,871,774</u>			<u>2,871,774</u>
	177,650	144,369	322,019
<u>731,772</u>	<u>401,772</u>	<u>3,627,160</u>	<u>4,760,704</u>
<u>731,772</u>	<u>579,422</u>	<u>3,771,529</u>	<u>5,082,723</u>
<u>\$ 4,906,640</u>	<u>\$ 2,275,910</u>	<u>\$ 4,604,794</u>	<u>\$ 11,787,344</u>
\$ 320,445	\$	\$	\$ 320,445
503,238			503,238
<u>113,724</u>			<u>113,724</u>
<u>937,407</u>			<u>937,407</u>
77,443			77,443
<u>174,663</u>			<u>174,663</u>
<u>252,106</u>			<u>252,106</u>
<u>1,189,513</u>			<u>1,189,513</u>
<u>3,717,127</u>	<u>2,275,910</u>	<u>4,604,794</u>	<u>10,597,831</u>
<u>\$ 4,906,640</u>	<u>\$ 2,275,910</u>	<u>\$ 4,604,794</u>	<u>\$ 11,787,344</u>

CONSOLIDATED STATEMENTS OF ACTIVITIES

ORGANIZATION FOR TROPICAL STUDIES, INC. AND SUBSIDIARY
Consolidated Statements of Activities
For the Years Ended June 30, 2005 and 2004

	2005			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
CHANGES IN NET ASSETS:				
SUPPORT AND REVENUE:				
Operating Revenues:				
Grants, Contracts, and Similar Agreements	\$ 1,079,313	\$ 1,563,118	\$	\$ 2,642,431
Tuition and Fees	1,847,080			1,847,080
Facilities Fees	1,111,736			1,111,736
Contributions	248,710	308,582	31,706	588,998
Realized and Unrealized Gain on Investments	315,467	151,103		466,570
Membership Dues	440,267			440,267
Interest and Dividends	124,615	68,568		193,183
Contributed Services and Facilities	370,632			370,632
Other	49,993			49,993
Total Operating Revenues	5,587,813	2,091,371	31,706	7,710,890
Net Assets Released from Restrictions:				
Satisfaction of Purpose Restrictions	2,305,626	(2,305,626)		
Total Support and Revenue	7,893,439	(214,255)	31,706	7,710,890
EXPENSES:				
Program Services:				
Educational Programs	3,126,902			3,126,902
Field Stations	1,482,535			1,482,535
Facilitated Research and Conservation	723,934			723,934
Public Institution Support				
Total Program Services	5,333,371			5,333,371
Support Services:				
Management and General	1,233,329			1,233,329
Fundraising	347,435			347,435
Total Support Services	1,580,764			1,580,764
Total Expenses	6,914,135			6,914,135
CHANGES IN NET ASSETS	979,304	(214,255)	31,706	796,755
NET ASSETS--Beginning of Year (restated for 2004)	3,717,127	2,275,910	4,604,794	10,597,831
NET ASSETS--End of Year	\$ 4,696,431	\$ 2,061,655	\$ 4,636,500	\$ 11,394,586

The accompanying notes are an integral part of the consolidated financial statements.

2004			
Unrestricted	Temporarily Restricted	Permanently Restricted	Total
\$ 1,301,570	\$ 823,353	\$	\$ 2,124,923
1,422,442			1,422,442
1,114,169			1,114,169
287,913	558,180	77,184	923,277
566,290	242,978		809,268
443,014			443,014
125,935	87,699		213,634
84,239			84,239
30,748			30,748
<u>5,376,320</u>	<u>1,712,210</u>	<u>77,184</u>	<u>7,165,714</u>
<u>2,895,167</u>	<u>(2,895,167)</u>		
<u>8,271,487</u>	<u>(1,182,957)</u>	<u>77,184</u>	<u>7,165,714</u>
3,011,554			3,011,554
1,492,230			1,492,230
757,815			757,815
<u>1,237,871</u>			<u>1,237,871</u>
<u>6,499,470</u>			<u>6,499,470</u>
1,152,136			1,152,136
<u>385,007</u>			<u>385,007</u>
<u>1,537,143</u>			<u>1,537,143</u>
<u>8,036,613</u>			<u>8,036,613</u>
234,874	(1,182,957)	77,184	(870,899)
<u>3,482,253</u>	<u>3,458,867</u>	<u>4,527,610</u>	<u>11,468,730</u>
<u>\$ 3,717,127</u>	<u>\$ 2,275,910</u>	<u>\$ 4,604,794</u>	<u>\$ 10,597,831</u>

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES (2005)

ORGANIZATION FOR TROPICAL STUDIES, INC. AND SUBSIDIARY
Consolidated Statement of Functional Expenses
For the Year Ended June 30, 2005

	Program Services			Total
	Educational Programs	Field Stations	Facilitated Research and Conservation	
Salaries and Wages	\$ 878,454	\$ 390,181	\$ 210,254	\$ 1,478,889
Travel, Meals and Lodging	1,286,450	162,854	106,065	1,555,369
Employee Benefits	207,843	199,630	87,910	495,383
Contract and Professional Services	122,217	65,863	168,560	356,640
Building and Office Rent	98,826	23,472	7,898	130,196
Depreciation	24,468	220,932	16,278	261,678
Consultant Expenses	145,089	12,442	58,207	215,738
Materials and Supplies	70,034	62,879	24,175	157,088
Building, Grounds and Equipment Maintenance	10,015	94,997	2,879	107,891
Awards, Stipends and Internships	120,879		13,226	134,105
Insurance, Taxes, and Financial Services	18,862	65,208	454	84,524
Equipment and Furnishings	34,674	53,877	15,611	104,162
Utilities	2,195	87,414		89,609
Printing, Publishing and Advertising	31,523	7,193	6,660	45,376
Telephone and Communications	24,769	20,517	4,507	49,793
Postage and Shipping	11,152	4,350	519	16,021
Miscellaneous	21,197	1,811	731	23,739
Contributions	18,255	8,915		27,170
Total Expenses	\$ <u>3,126,902</u>	\$ <u>1,482,535</u>	\$ <u>723,934</u>	\$ <u>5,333,371</u>

The accompanying notes are an integral part of the consolidated financial statements.

Support Services			
Management and General	Fundraising	Total	Total Expenses
\$ 460,171	\$ 192,616	\$ 652,787	\$ 2,131,676
40,614	28,583	69,197	1,624,566
169,525	53,788	223,313	718,696
60,845	68	60,913	417,553
236,089	17,079	253,168	383,364
56,242	2,491	58,733	320,411
5,042	1,152	6,194	221,932
18,772	14,622	33,394	190,482
35,811	1,026	36,837	144,728
343	827	1,170	135,275
50,012	52	50,064	134,588
28,323	839	29,162	133,324
5,114	78	5,192	94,801
21,917	12,533	34,450	79,826
17,295	5,417	22,712	72,505
13,819	15,308	29,127	45,148
13,010	956	13,966	37,705
385		385	27,555
<u>\$ 1,233,329</u>	<u>\$ 347,435</u>	<u>\$ 1,580,764</u>	<u>\$ 6,914,135</u>

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES (2004)

ORGANIZATION FOR TROPICAL STUDIES, INC. AND SUBSIDIARY
Consolidated Statement of Functional Expenses
For the Year Ended June 30, 2004

	Program Services			
	Educational Programs	Field Stations	Facilitated Research and Conservation	Public Institution Support
Salaries and Wages	\$ 803,923	\$ 403,120	\$ 165,321	\$
Travel, Meals and Lodging	1,187,470	144,044	149,689	
Employee Benefits	202,822	249,103	86,020	
Contract and Professional Services	75,038	62,598	99,040	
Building and Office Rent	27,382	30,126	9,690	
Depreciation	23,858	240,657	2,792	
Consultant Expenses	158,541	12,288	57,394	
Materials and Supplies	88,923	51,137	100,461	
Building, Grounds and Equipment Maintenance	7,807	81,198	2,608	
Awards, Stipends and Internships	276,169	6,803	5,953	
Insurance, Taxes, and Financial Services	19,006	67,700	549	
Equipment and Furnishings	44,347	43,751	8,669	
Utilities	973	75,083	514	
Printing, Publishing and Advertising	47,721	3,343	12,104	
Telephone and Communications	17,999	14,890	13,130	
Postage and Shipping	17,337	3,605	6,130	
Miscellaneous	12,238	2,681	151	
Contributions		103	37,600	1,237,871
Total Expenses	\$ <u>3,011,554</u>	\$ <u>1,492,230</u>	\$ <u>757,815</u>	\$ <u>1,237,871</u>

The accompanying notes are an integral part of the consolidated financial statements.

Support Services				
Total	Management and General	Fundraising	Total	Total Expenses
\$ 1,372,364	\$ 395,730	\$ 229,897	\$ 625,627	\$ 1,997,991
1,481,203	31,592	15,141	46,733	1,527,936
537,945	298,276	56,434	354,710	892,655
236,676	89,430		89,430	326,106
67,198	45,793	15,555	61,348	128,546
267,307	60,052	2,974	63,026	330,333
228,223	2,509	9,625	12,134	240,357
240,521	12,786	10,037	22,823	263,344
91,613	6,824	2,132	8,956	100,569
288,925				288,925
87,255	84,205	110	84,315	171,570
96,767	66,811	1,573	68,384	165,151
76,570	2,837	51	2,888	79,458
63,168	24,403	19,562	43,965	107,133
46,019	9,241	4,975	14,216	60,235
27,072	7,538	16,181	23,719	50,791
15,070	13,934	760	14,694	29,764
1,275,574	175		175	1,275,749
<u>\$ 6,499,470</u>	<u>\$ 1,152,136</u>	<u>\$ 385,007</u>	<u>\$ 1,537,143</u>	<u>\$ 8,036,613</u>

ORGANIZATION FOR TROPICAL STUDIES, INC. AND SUBSIDIARY
Consolidated Statements of Cash Flows
For the Years Ended June 30, 2005 and 2004

	2005	2004
CASH FLOWS FROM OPERATING ACTIVITIES:		
Changes in Net Assets	\$ 796,755	\$ (870,899)
Adjustments to Reconcile Changes in Net Assets to		
Net Cash Provided (Used) by Operating Activities:		
Depreciation	326,923	333,990
Allowance for Doubtful Accounts	(1,264)	(2,916)
Amortization of Discount	(16,132)	36,924
(Gain) Loss on Sale of Property and Equipment	(858)	24,720
Contributions Restricted for Permanent Endowments	(31,706)	(77,184)
Realized and Unrealized Gain on Investments	(466,570)	(809,268)
Changes in Assets and Liabilities:		
Accounts Receivable	(4,673)	14,905
Grants and Contracts Receivable	(329,726)	238,940
Promises to Give	(97,809)	(209,098)
Prepaid Expenses and Inventory	(66,328)	69,960
Accounts Payable	(197,654)	72,772
Accrued Payroll and Related Liabilities	14,811	43,559
Deferred Revenue	79,968	(23,526)
Accumulated Postretirement Benefit Liability	3,031	7,572
Net Cash Provided (Used) by Operating Activities	<u>8,768</u>	<u>(1,149,549)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of Property and Equipment	(180,491)	(175,122)
Purchases of Investments	(130,456)	(883,199)
Net Proceeds from Sales of Investments	335,729	3,377,257
Net Cash Provided by Investing Activities	<u>24,782</u>	<u>2,318,936</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Contributions Restricted for Permanent Endowments	31,706	77,184
Net Cash Provided by Financing Activities	<u>31,706</u>	<u>77,184</u>
NET INCREASE IN CASH	65,256	1,246,571
CASH--Beginning of Year	<u>3,171,726</u>	<u>1,925,155</u>
CASH--End of Year	<u>\$ 3,236,982</u>	<u>\$ 3,171,726</u>

The accompanying notes are an integral part of the consolidated financial statements.

ORGANIZATION FOR TROPICAL STUDIES, INC. AND SUBSIDIARY
Notes to Consolidated Financial Statements
June 30, 2005 and 2004

1. Summary of Significant Accounting Policies

A. Organization and Purpose:

Organization for Tropical Studies, Inc. (the Organization) is chartered as a not-for-profit corporation under the laws of the State of North Carolina for the purpose of furthering education and research in tropical sciences, and is supported by a consortium of institutions of higher learning located in North, Central and South America, Australia and South Africa. The Organization maintains its general offices in Durham, North Carolina on the campus of Duke University, an administrative office in San Jose, Costa Rica, and three field stations in Costa Rica (La Selva, Las Cruces and Palo Verde) for instructional and research purposes.

A summary of the financial data applicable to operations in Costa Rica and other foreign countries compared to total operations as included in the consolidated financial statements as of and for the years ended June 30, 2005 and 2004 is as follows:

	2005		2004	
	Foreign Operations	Total Operations	Foreign Operations	Total Operations
Total Assets	\$ 2,670,950	\$ 12,484,255	\$ 3,261,465	\$ 11,787,344
Total Liabilities	517,589	1,089,669	491,708	1,189,513
Total Support and Revenues	1,724,832	7,710,890	2,942,438	7,165,714
Total Expenses	5,572,808	6,914,135	5,851,820	8,036,613

Funding of the Organization is provided principally by dues from the member institutions, facilities fees, tuition and fees charged for courses offered by the Organization, grants from the National Science Foundation and various private foundations, and private gifts. The Organization is dependent on the grants and private gifts to continue operating.

B. Principles of Consolidation:

The accompanying consolidated financial statements include the Organization's wholly-owned for-profit subsidiary, *Estudios E Investigaciones Tropicales S.A.* (ESINTRO). ESINTRO is incorporated under the laws of Costa Rica and sells food, lodging, clothing, beverages, and other miscellaneous items to field station visitors. All significant intercompany accounts and transactions have been eliminated. As used herein, the term "Organization" refers to Organization for Tropical Studies, Inc. and subsidiary unless the context indicates otherwise.

C. Basis of Presentation:

The Organization follows Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statements of Not-for-Profit Organizations*. SFAS No. 117 establishes standards for external financial reporting by not-for-profit organizations and requires that resources be classified for accounting and reporting purposes into three net asset categories according to externally imposed restrictions. Accordingly, net assets of the Organization and changes therein may be classified and reported as follows:

Unrestricted Net Assets - Net assets that are not subject to donor-imposed stipulations.

Temporarily Restricted Net Assets - Net assets subject to donor-imposed stipulations that may or will be met either by actions of the Organization and/or the passage of time.

ORGANIZATION FOR TROPICAL STUDIES, INC. AND SUBSIDIARY
Notes to Consolidated Financial Statements
June 30, 2005 and 2004

1. Summary of Significant Accounting Policies (Continued)

C. Basis of Presentation (Continued):

Permanently Restricted Net Assets - Net assets subject to donor-imposed stipulations that they be maintained permanently by the Organization. Generally, the donors of these assets permit the Organization to use all or part of the income earned on related investments for general or specific purposes.

D. Program Services:

Educational Programs - The Organization conducts a number of educational programs, including graduate courses for academic credit, an undergraduate semester-abroad program for credit through Duke University, and mid-career professional training for United States and Latin American officials and policy-makers, as well as short excursions led by scientists for members of the public in Costa Rica.

Field Stations - The Organization operates three biological field stations in diverse ecological zones of Costa Rica, at La Selva, Las Cruces, and Palo Verde. These stations are maintained to facilitate biological research.

Facilitated Research and Conservation - The Organization receives grants and contracts to support scientific research at its field stations and wetland conservation projects in the region of its Palo Verde station.

Public Institution Support - The Organization has supported Costa Rican public institutions by donating facilities. The Simons Center was donated to the University of Costa Rica and site improvements and new construction at the Palo Verde field station were donated to the Costa Rican national park system.

E. Restricted and Unrestricted Revenue:

Contributions of cash and other assets, as well as grants, are accounted for in accordance with SFAS No. 116, *Accounting for Contributions Received and Contributions Made*. In accordance with SFAS No. 116, contributions received are recorded as increases in unrestricted, temporarily restricted, or permanently restricted net assets, depending on the existence or nature of any donor restrictions.

All donor-restricted contributions and grants are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the consolidated statements of activities as net assets released from restrictions

F. Accounts Receivable:

Accounts receivable relate principally to amounts due to the Organization for facilities fees and tuition. The Organization is required to estimate the collectibility of its accounts receivable and to establish an allowance for the amount of receivables that it estimates to be uncollectible. The Organization bases the allowance on its historical collection experience, the length of time its receivables are outstanding, and the financial condition of individual customers. At June 30, 2005 and 2004, accounts receivable is presented net of an allowance for doubtful accounts of \$16,588 and \$17,852, respectively.

ORGANIZATION FOR TROPICAL STUDIES, INC. AND SUBSIDIARY
Notes to Consolidated Financial Statements
June 30, 2005 and 2004

1. Summary of Significant Accounting Policies (Continued)

G. Investments:

The Organization records its investments in marketable securities in accordance with SFAS No. 124, *Accounting for Certain Investments Held by Not-for-Profit Organizations*. Investments in equity securities with readily determinable fair values and all investments in debt securities are measured at fair value in the consolidated statements of financial position. Gains and losses are determined using the specific identification method on a first-in, first-out basis.

H. Inventory:

Inventory principally consists of food, beverages, materials and supplies, and gift shop items which are carried at the lower of cost or net realizable value.

I. Property and Equipment:

Purchased property and equipment are carried at cost, and donated property and equipment are carried at fair market value at the date of donation. Depreciation is provided using the straight-line method over the estimated useful lives of the assets. A capitalization threshold of \$1,000 is utilized. Upon sale or retirement of property and equipment, the related cost and accumulated depreciation are removed from the accounts, and any gain or loss is recognized.

J. Foreign Currency Translation:

For translation of the financial statements of its Costa Rican subsidiary, the Organization has determined that the Costa Rican colon is the functional currency. Assets and liabilities are translated at the year-end exchange rate and income and expense accounts are translated at the rates prevailing on the transaction dates. Foreign currency transactions losses are reported in the accompanying consolidated statements of activities and total \$19,238 and \$27,386 for the years ended June 30, 2005 and 2004, respectively.

K. Deferred Revenue:

Registration fees and tuition for the various programs and events sponsored by the Organization are recorded as deferred revenue and recognized as revenue as each course or event is completed. Advances received on grants or contracts are also recorded as deferred revenue and recognized as revenue when a corresponding expenditure is made. Prepaid membership dues are recorded as deferred revenue at their present value and recognized as income in the period earned.

L. Promises to Give:

Unconditional promises to give are recognized as contribution revenue in the period received and as assets, decreases in liabilities or expenses depending on the form of the benefits received. Conditional promises to give are recognized when the conditions on which they depend are substantially met. Contributions of assets other than cash are recorded at their estimated fair value at the date of the gift. Contributions to be received after one year are discounted at a rate commensurate with the risk involved. Amortization of the discount is recorded as additional contribution revenue in accordance with donor-imposed restrictions, if any, on the contributions. Due to the small number of pledges and the Organization's familiarity with the donors, management does not believe that an allowance for uncollectible pledges is necessary.

ORGANIZATION FOR TROPICAL STUDIES, INC. AND SUBSIDIARY
Notes to Consolidated Financial Statements
June 30, 2005 and 2004

1. Summary of Significant Accounting Policies (Concluded)

M. Functional Allocation of Expenses:

The cost of providing the various programs and support services of the Organization has been summarized on a functional basis in the consolidated statements of activities. Certain costs have been allocated on the basis of time records and estimates made by the Organization's management among the programs and support services benefited.

N. Accounting Estimates:

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America 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 consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

O. Donated Materials, Facilities and Services:

The Organization records in-kind contributions of rent and utilities, materials and services at fair market value at the date of donation.

P. Advertising Costs:

Advertising costs are expensed as incurred and totaled approximately \$14,200 and \$22,100 for the years ended June 30, 2005 and 2004, respectively.

Q. Income Tax Status:

The Organization is exempt from federal and state income taxes under Section 501(a) of the Internal Revenue Code and is classified under Section 501(c)(3) as a public charity. The Organization has also been classified as an entity that is not a private foundation within the meaning of Section 509(a) and qualifies for deductible contributions provided in Section 170(b)(1)(A)(vi). ESINTRO is subject to income taxes calculated at Costa Rican statutory rates. Corporate income tax expense is \$10,599 and \$1,029 for the years ended June 30, 2005 and 2004, respectively.

2. Promises to Give

Unconditional promises to give at June 30, 2005 and 2004 are as follows:

	<u>2005</u>	<u>2004</u>
Unconditional Promises to Give before		
Unamortized Discount	\$ 597,661	\$ 499,852
Less: Unamortized Discount	<u>131,976</u>	<u>148,108</u>
Unconditional Promises to Give—net	465,685	351,744
Less: Amount Due Within One Year	<u>127,535</u>	<u>29,725</u>
Amount Due After One Year	<u>\$ 338,150</u>	<u>\$ 322,019</u>
Amounts Due in:		
Less than one year	\$ 137,661	\$ 4,852
One year to five years	175,000	175,000
More than five years	<u>285,000</u>	<u>320,000</u>
Total Unconditional Promises to Give	<u>\$ 597,661</u>	<u>\$ 499,852</u>

ORGANIZATION FOR TROPICAL STUDIES, INC. AND SUBSIDIARY
Notes to Consolidated Financial Statements
June 30, 2005 and 2004

2. Promises to Give (Continued)

Unconditional promises to give that are due in future periods are reflected at the present value of the estimated future cash flows using discount rates ranging between 4% and 5%.

3. Investments

Investments in mutual funds at June 30, 2005 and 2004 are as follows:

	<u>2005</u>	<u>2004</u>
Fair Value	\$ <u>5,022,328</u>	\$ <u>4,760,704</u>
Historical Cost	\$ <u>4,676,325</u>	\$ <u>3,951,107</u>

4. Net Assets

The Organization has designated certain unrestricted net assets for specific purposes or uses.

Unrestricted net assets consist of the following at June 30, 2005 and 2004:

	<u>2005</u>	<u>2004</u>
Net investment in property and equipment	\$ 2,725,873	\$ 2,871,774
Funds designated by governing board:		
Estimated severance pay	105,765	61,699
Asset renewal	80,732	80,656
Unrestricted and undesignated	<u>1,784,061</u>	<u>702,998</u>
Total	\$ <u>4,696,431</u>	\$ <u>3,717,127</u>

Temporarily restricted net assets consist of the following at June 30, 2005 and 2004:

	<u>2005</u>	<u>2004</u>
Term endowment funds to be used for fellowships	\$ 234,967	\$ 250,478
Contributions for station improvements and land acquisitions	195,740	171,216
Educational programs	<u>1,730,212</u>	<u>1,854,216</u>
Total	\$ <u>2,061,655</u>	\$ <u>2,275,910</u>

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by the passage of time. Purpose restrictions were accomplished by incurring \$2,305,626 and \$2,895,167 in expenses for fellowships, station improvements, land acquisition and educational programs during the years ended June 30, 2005 and 2004, respectively.

Permanently restricted net assets at June 30, 2005 and 2004 consist of perpetual endowment funds. Income from these investments in perpetuity is expendable for instruction, scholarships and operations.

ORGANIZATION FOR TROPICAL STUDIES, INC. AND SUBSIDIARY
Notes to Consolidated Financial Statements
June 30, 2005 and 2004

5. Split-Interest Agreement

The Organization is a co-beneficiary of a charitable remainder trust. The trust agreement specifies that payments be made to another beneficiary over the life of that beneficiary. At the termination of the agreement, the remaining assets will pass to the donee organizations. The portion of the trust attributable to the present value of the future benefits to be received by the Organization was recorded in the consolidated statement of activities as a temporarily restricted contribution in the period the trust was established. The Organization's portion of the fair market value of net assets held in the charitable remainder trust totaled \$150,375 and \$144,369 at June 30, 2005 and 2004, respectively, and is recorded in the Organization's consolidated statements of financial position. The present value of the estimated future payments is calculated using a discount rate of 4% and applicable mortality tables.

6. Benefit Plans

Duke University employees assigned to the Organization participate in either the University's contributory defined contribution pension plan or the University's noncontributory defined benefit pension plan. The salary and fringe benefit expenses disclosed in Note 7 to the consolidated financial statements include the net pension expenses associated with these plans.

These employees are also participants in the University's unfunded defined benefit postretirement medical plan. The net periodic postretirement benefit cost amounted to \$3,031 and \$7,572 for the years ended June 30, 2005 and 2004, respectively, and the associated liability was \$177,694 and \$174,663 as of June 30, 2005 and 2004, respectively.

It is not possible to present separately the actuarial present value of benefit obligations or the net assets available for benefits under either the contributory defined contribution or the noncontributory defined benefit pension plans because no determination has been made of the allocation of such amounts between Duke University and the Organization. Furthermore, it is not possible to present separately the actuarially determined accumulated postretirement benefit obligation of the Organization for the postretirement benefit plan because no determination has been made of the allocation of such amounts between Duke University and the Organization.

7. Relationship with Duke University

The Organization has an agreement with Duke University whereby the University acts as fiscal agent for the Organization. As a result of this agreement, certain federal and state grants and contracts are made to the University on the Organization's behalf. Amounts received by the University and reported as revenues under grants and contracts total \$867,264 and \$960,018 for the years ended June 30, 2005 and 2004, respectively. Grants and contracts receivable at June 30, 2005 and 2004 include \$116,224 and \$93,727, respectively, due from Duke University for amounts expended for grant purposes but not yet reimbursed.

During 2005 and 2004, the University assigned employees to work at the Organization. The Organization reimbursed the University for salaries and fringe benefits of these employees totaling \$1,156,870 and \$1,189,337 for the years ended June 30, 2005 and 2004, respectively.

ORGANIZATION FOR TROPICAL STUDIES, INC. AND SUBSIDIARY
Notes to Consolidated Financial Statements
June 30, 2005 and 2004

7. Relationship with Duke University (Continued)

The University provides certain services such as general administrative support and the use of facilities for the benefit of the Organization. These contributed services and facilities have been recognized in the accompanying consolidated statements of activities as contributions and expenses at their estimated fair values. The estimated fair value of the services and facilities contributed by the University is \$49,200 for each of the years ended June 30, 2005 and 2004.

During each of the years ended June 30, 2005 and 2004, the Organization paid rent of \$15,000 to Duke University for the use of another facility.

8. Concentrations

The Organization maintains its cash balances in a financial institution located in Durham, North Carolina, in several brokerage accounts, and in several financial institutions in Costa Rica. In addition, some of its cash balances are held in agency funds controlled by Duke University. At June 30, 2005, the cash balances controlled by the Organization on deposit in the United States were fully insured by the Federal Deposit Insurance Corporation. The amount of uninsured cash balances held by Duke University at June 30, 2005 cannot be readily determined. All cash balances on deposit in Costa Rica are considered to be at risk.

Approximately 12% of the total revenues earned by the Organization during the year ended June 30, 2005 were in the form of National Science Foundation grants.

Grant expenditures in general are subject to final approval by the grantors and unallowable costs, if any, are the responsibility of the Organization.

9. Contingencies

The Organization is involved in claims and legal actions arising in the ordinary course of business. In the opinion of management, the ultimate disposition of these matters will not have a material adverse effect on the Organization's financial position, results of operations or liquidity.

10. Contributions

During the year ended June 30, 2004, the Organization donated a building to the University of Costa Rica (University) upon completion of its construction. The building is located on the campus of the University and will be used by the Organization for administrative offices, a library center and other educational purposes. The University has permitted the Organization to use the building for a period of 35 to 50 years. The donation of the building is included in the consolidated statement of functional expenses for the year ended June 30, 2004 as public institution support at the Organization's cost of \$1,117,666. During 2005, the Organization contributed an additional \$18,255 for related building completion costs. This amount is included in educational programs expense for the year ended June 30, 2005. The fair value of the use of the facilities at the University is estimated to be \$290,400 for the year ended June 30, 2005.

The Organization has donated various site improvements and new construction at the Palo Verde location to the Costa Rican national park system that owns the land on which the field station is located. The Organization has a renewable agreement to use the facilities at this location for another thirteen years. The donations are included in the consolidated statements of functional expenses at the Organization's cost of \$7,403 and \$120,205, respectively, for the years ended June 30, 2005 and 2004.

ORGANIZATION FOR TROPICAL STUDIES, INC. AND SUBSIDIARY
Notes to Consolidated Financial Statements
June 30, 2005 and 2004

11. Prior Period Adjustment

Unrestricted net assets at the beginning of the year ended June 30, 2004 have been restated to reflect a prior period adjustment to correct accumulated depreciation at June 30, 2003. The effect of this adjustment is to record an increase in unrestricted net assets of \$72,360, with a corresponding decrease in accumulated depreciation.

12. Reclassifications

Certain amounts for 2004 have been reclassified to conform to the 2005 presentation. Such reclassifications have no effect on the changes in net assets or cash flows as previously reported.

CONSOLIDATING SCHEDULES OF FINANCIAL POSITION

ORGANIZATION FOR TROPICAL STUDIES, INC. AND SUBSIDIARY
Consolidating Schedules of Financial Position
June 30, 2005 and 2004

ASSETS

	2005			
	Organization for Tropical Studies, Inc.	ESINTRO, S.A.	Eliminations	Consolidated
CURRENT ASSETS:				
Cash	\$ 3,154,297	\$ 82,685	\$	\$ 3,236,982
Accounts Receivable--net	140,359	54,682	(77,739)	117,302
Grants and Contracts Receivable	745,340			745,340
Promises to Give--net	127,535			127,535
Prepaid Expenses	114,210	12,072		126,282
Inventory	3,445	41,018		44,463
Total Current Assets	<u>4,285,186</u>	<u>190,457</u>	<u>(77,739)</u>	<u>4,397,904</u>
PROPERTY AND EQUIPMENT:				
Building and Improvements	2,503,733			2,503,733
Land and Land Improvements	1,261,688			1,261,688
Equipment	637,780			637,780
Vehicles	104,933			104,933
Furniture and Furnishings	7,398	38,811		46,209
Total	<u>4,515,532</u>	<u>38,811</u>		<u>4,554,343</u>
Less Accumulated Depreciation	<u>1,817,876</u>	<u>10,594</u>		<u>1,828,470</u>
Net Property and Equipment	<u>2,697,656</u>	<u>28,217</u>		<u>2,725,873</u>
OTHER ASSETS:				
Promises to Give--net	338,150			338,150
Investments	<u>5,144,025</u>		<u>(121,697)</u>	<u>5,022,328</u>
Total Other Assets	<u>5,482,175</u>		<u>(121,697)</u>	<u>5,360,478</u>
Total Assets	<u>\$ 12,465,017</u>	<u>\$ 218,674</u>	<u>\$ (199,436)</u>	<u>\$ 12,484,255</u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES:				
Accounts Payable	\$ 139,092	\$ 61,438	\$ (77,739)	\$ 122,791
Accrued Payroll and Related Liabilities	482,510	35,539		518,049
Deferred Revenue	<u>179,359</u>			<u>179,359</u>
Total Current Liabilities	<u>800,961</u>	<u>96,977</u>	<u>(77,739)</u>	<u>820,199</u>
LONG-TERM LIABILITIES:				
Deferred Revenue	91,776			91,776
Accumulated Postretirement Benefit Liability	<u>177,694</u>			<u>177,694</u>
Total Long-Term Liabilities	<u>269,470</u>			<u>269,470</u>
Total Liabilities	<u>1,070,431</u>	<u>96,977</u>	<u>(77,739)</u>	<u>1,089,669</u>
NET ASSETS:				
Unrestricted (as restated for 2004)	4,696,431	121,697	(121,697)	4,696,431
Temporarily Restricted	2,061,655			2,061,655
Permanently Restricted	<u>4,636,500</u>			<u>4,636,500</u>
Total Net Assets	<u>11,394,586</u>	<u>121,697</u>	<u>(121,697)</u>	<u>11,394,586</u>
Total Liabilities and Net Assets	<u>\$ 12,465,017</u>	<u>\$ 218,674</u>	<u>\$ (199,436)</u>	<u>\$ 12,484,255</u>

2004

Organization for Tropical Studies, Inc.	ESINTRO, S.A.	Eliminations	Consolidated
\$ 3,084,126	\$ 87,600	\$	\$ 3,171,726
171,574	46,410	(106,619)	111,365
415,614			415,614
29,725			29,725
59,257	11,415		70,672
3,445	30,300		33,745
<u>3,763,741</u>	<u>175,725</u>	<u>(106,619)</u>	<u>3,832,847</u>
2,506,775			2,506,775
1,261,738			1,261,738
701,309			701,309
90,186			90,186
8,086	43,208		51,294
<u>4,568,094</u>	<u>43,208</u>		<u>4,611,302</u>
<u>1,723,389</u>	<u>16,139</u>		<u>1,739,528</u>
<u>2,844,705</u>	<u>27,069</u>		<u>2,871,774</u>
322,019			322,019
<u>4,857,574</u>		<u>(96,870)</u>	<u>4,760,704</u>
<u>5,179,593</u>		<u>(96,870)</u>	<u>5,082,723</u>
<u>\$ 11,788,039</u>	<u>\$ 202,794</u>	<u>\$ (203,489)</u>	<u>\$ 11,787,344</u>
\$ 355,783	\$ 71,281	\$ (106,619)	\$ 320,445
468,595	34,643		503,238
113,724			113,724
<u>938,102</u>	<u>105,924</u>	<u>(106,619)</u>	<u>937,407</u>
77,443			77,443
174,663			174,663
<u>252,106</u>			<u>252,106</u>
<u>1,190,208</u>	<u>105,924</u>	<u>(106,619)</u>	<u>1,189,513</u>
3,717,127	96,870	(96,870)	3,717,127
2,275,910			2,275,910
4,604,794			4,604,794
<u>10,597,831</u>	<u>96,870</u>	<u>(96,870)</u>	<u>10,597,831</u>
<u>\$ 11,788,039</u>	<u>\$ 202,794</u>	<u>\$ (203,489)</u>	<u>\$ 11,787,344</u>

CONSOLIDATING SCHEDULE OF ACTIVITIES (2005)

ORGANIZATION FOR TROPICAL STUDIES, INC. AND SUBSIDIARY
Consolidating Schedule of Activities
For the Year Ended June 30, 2005

	Organization for Tropical Studies, Inc.			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
CHANGES IN NET ASSETS:				
SUPPORT AND REVENUE:				
Operating Revenues:				
Grants, Contracts, and Similar Agreements	\$ 1,079,313	\$ 1,563,118	\$	\$ 2,642,431
Tuition and Fees	1,847,080			1,847,080
Facilities Fees	715,365			715,365
Contributions	248,710	308,582	31,706	588,998
Realized and Unrealized Gain on Investments	340,294	151,103		491,397
Membership Dues	440,267			440,267
Interest and Dividends	122,020	68,568		190,588
Contributed Services and Facilities	370,632			370,632
Other	23,236			23,236
Total Operating Revenues	5,186,917	2,091,371	31,706	7,309,994
Net Assets Released from Restrictions:				
Satisfaction of Purpose Restrictions	2,305,626	(2,305,626)		
Total Support and Revenue	7,492,543	(214,255)	31,706	7,309,994
EXPENSES:				
Program Services:				
Educational Programs	3,126,902			3,126,902
Field Stations	1,081,639			1,081,639
Facilitated Research and Conservation	723,934			723,934
Total Program Services	4,932,475			4,932,475
Support Services:				
Management and General	1,233,329			1,233,329
Fundraising	347,435			347,435
Total Support Services	1,580,764			1,580,764
Total Expenses	6,513,239			6,513,239
CHANGES IN NET ASSETS	979,304	(214,255)	31,706	796,755
NET ASSETS--Beginning of Year	3,717,127	2,275,910	4,604,794	10,597,831
NET ASSETS--End of Year	\$ 4,696,431	\$ 2,061,655	\$ 4,636,500	\$ 11,394,586

ESINTRO, S.A.		Consolidated			
Unrestricted	Eliminations	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
\$	\$	\$	\$	\$	\$
		1,079,313	1,563,118		2,642,431
		1,847,080			1,847,080
646,822	(250,451)	1,111,736			1,111,736
		248,710	308,582	31,706	588,998
	(24,827)	315,467	151,103		466,570
		440,267			440,267
2,595		124,615	68,568		193,183
		370,632			370,632
26,757		49,993			49,993
<u>676,174</u>	<u>(275,278)</u>	<u>5,587,813</u>	<u>2,091,371</u>	<u>31,706</u>	<u>7,710,890</u>
		2,305,626	(2,305,626)		
<u>676,174</u>	<u>(275,278)</u>	<u>7,893,439</u>	<u>(214,255)</u>	<u>31,706</u>	<u>7,710,890</u>
		3,126,902			3,126,902
651,347	(250,451)	1,482,535			1,482,535
		723,934			723,934
<u>651,347</u>	<u>(250,451)</u>	<u>5,333,371</u>			<u>5,333,371</u>
		1,233,329			1,233,329
		347,435			347,435
		1,580,764			1,580,764
<u>651,347</u>	<u>(250,451)</u>	<u>6,914,135</u>			<u>6,914,135</u>
24,827	(24,827)	979,304	(214,255)	31,706	796,755
<u>96,870</u>	<u>(96,870)</u>	<u>3,717,127</u>	<u>2,275,910</u>	<u>4,604,794</u>	<u>10,597,831</u>
<u>\$ 121,697</u>	<u>\$ (121,697)</u>	<u>\$ 4,696,431</u>	<u>\$ 2,061,655</u>	<u>\$ 4,636,500</u>	<u>\$ 11,394,586</u>

CONSOLIDATING SCHEDULE OF ACTIVITIES (2004)

ORGANIZATION FOR TROPICAL STUDIES, INC. AND SUBSIDIARY
Consolidating Schedule of Activities
For the Year Ended June 30, 2004

	Organization for Tropical Studies, Inc.			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
CHANGES IN NET ASSETS:				
SUPPORT AND REVENUE:				
Operating Revenues:				
Grants, Contracts, and Similar Agreements	\$ 1,301,570	\$ 823,353	\$	\$ 2,124,923
Tuition and Fees	1,422,442			1,422,442
Facilities Fees	780,355			780,355
Contributions	287,913	558,180	77,184	923,277
Realized and Unrealized Gain on Investments	568,692	242,978		811,670
Membership Dues	443,014			443,014
Interest and Dividends	125,935	87,699		213,634
Contributed Services and Facilities	84,239			84,239
Other	9,429			9,429
Total Operating Revenues	5,023,589	1,712,210	77,184	6,812,983
Net Assets Released from Restrictions:				
Satisfaction of Purpose Restrictions	2,895,167	(2,895,167)		
Total Support and Revenue	7,918,756	(1,182,957)	77,184	6,812,983
EXPENSES:				
Program Services:				
Educational Programs	3,011,554			3,011,554
Field Stations	1,139,499			1,139,499
Facilitated Research and Conservation	757,815			757,815
Public Institution Support	1,237,871			1,237,871
Total Program Services	6,146,739			6,146,739
Support Services:				
Management and General	1,152,136			1,152,136
Fundraising	385,007			385,007
Total Support Services	1,537,143			1,537,143
Total Expenses	7,683,882			7,683,882
CHANGES IN NET ASSETS	234,874	(1,182,957)	77,184	(870,899)
NET ASSETS--Beginning of Year (as restated)	3,482,253	3,458,867	4,527,610	11,468,730
NET ASSETS--End of Year	\$ 3,717,127	\$ 2,275,910	\$ 4,604,794	\$ 10,597,831

ESINTRO, S.A.		Consolidated			
Unrestricted	Eliminations	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
\$	\$	\$	\$	\$	\$
		1,301,570	823,353		2,124,923
		1,422,442			1,422,442
587,507	(253,693)	1,114,169			1,114,169
		287,913	558,180	77,184	923,277
	(2,402)	566,290	242,978		809,268
		443,014			443,014
		125,935	87,699		213,634
		84,239			84,239
21,319		30,748			30,748
<u>608,826</u>	<u>(256,095)</u>	<u>5,376,320</u>	<u>1,712,210</u>	<u>77,184</u>	<u>7,165,714</u>
		2,895,167	(2,895,167)		
<u>608,826</u>	<u>(256,095)</u>	<u>8,271,487</u>	<u>(1,182,957)</u>	<u>77,184</u>	<u>7,165,714</u>
		3,011,554			3,011,554
606,424	(253,693)	1,492,230			1,492,230
		757,815			757,815
		1,237,871			1,237,871
<u>606,424</u>	<u>(253,693)</u>	<u>6,499,470</u>			<u>6,499,470</u>
		1,152,136			1,152,136
		385,007			385,007
		1,537,143			1,537,143
<u>606,424</u>	<u>(253,693)</u>	<u>8,036,613</u>			<u>8,036,613</u>
2,402	(2,402)	234,874	(1,182,957)	77,184	(870,899)
<u>94,468</u>	<u>(94,468)</u>	<u>3,482,253</u>	<u>3,458,867</u>	<u>4,527,610</u>	<u>11,468,730</u>
<u>\$ 96,870</u>	<u>\$ (96,870)</u>	<u>\$ 3,717,127</u>	<u>\$ 2,275,910</u>	<u>\$ 4,604,794</u>	<u>\$ 10,597,831</u>



**Organization for
Tropical Studies**

Annual Report