
THE ORIANNE SOCIETY
REPORT ON AUDITS OF
FINANCIAL STATEMENTS

Years Ended June 30, 2011 and 2010

Contents

Years Ended June 30, 2011 and 2010

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Financial Statements

Independent Auditors' Report

The Board of Directors
The Orianne Society

We have audited the statements of financial position of The Orianne Society ("Orianne") as of June 30, 2011 and 2010, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended. These financial statements are the responsibility of Orianne's management. Our responsibility is to express an opinion on these 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 financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Orianne Society as of June 30, 2011 and 2010, and the changes in its net assets, functional expenses, and cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Holtz Rubenstein Reminick LLP

New York, New York
September 21, 2011

Statements of Financial Position

<i>June 30,</i>	2011	2010
Assets		
Current Assets:		
Cash and cash equivalents	\$ 386,271	\$ 266,141
Marketable securities	644,000	-
Contributions receivable	20,152	-
Contributions receivable from related parties	21,268	174,400
Accounts receivable	88,616	53,402
Prepaid expenses and other current assets	86,162	62,872
Total Current Assets	<u>1,246,469</u>	<u>556,815</u>
Fixed Assets, net	<u>1,227,816</u>	<u>627,728</u>
Total Assets	<u>\$ 2,474,285</u>	<u>\$ 1,184,543</u>
Liabilities and Net Assets		
Current Liabilities:		
Accounts payable and accrued expenses	\$ 55,670	\$ 63,700
Grants payable	266,595	-
Total Current Liabilities	<u>322,265</u>	<u>63,700</u>
Net Assets:		
Unrestricted	1,348,451	699,943
Temporarily restricted	803,569	420,900
Total Net Assets	<u>2,152,020</u>	<u>1,120,843</u>
Total Liabilities and Net Assets	<u>\$ 2,474,285</u>	<u>\$ 1,184,543</u>

Statements of Activities and Changes in Net Assets

<i>Years Ended June 30,</i>	2011	2010
Changes in Unrestricted Net Assets:		
Revenue:		
Contributions	\$ 1,599,441	\$ 1,789,250
Governmental grants	150,775	-
In-kind gifts	1,050	1,235
Assets released from restrictions	1,231,254	109,960
Realized loss on marketable securities	(78,336)	-
Other income	62,431	4,986
Total Revenue	<u>2,966,615</u>	<u>1,905,431</u>
Expenses:		
Programs	1,943,353	1,418,364
Support services	230,904	103,392
Total Expenses	<u>2,174,257</u>	<u>1,521,756</u>
Net Operating Income	792,358	383,675
Other Non-operating Activities:		
Unrealized loss on marketable securities	(143,850)	-
Increase in Unrestricted Net Assets	<u>648,508</u>	<u>383,675</u>
Changes in Temporarily Restricted Net Assets:		
Contributions	1,613,923	530,860
Net assets released from restrictions	(1,231,254)	(109,960)
Increase in Temporarily Restricted Net Assets	<u>382,669</u>	<u>420,900</u>
Increase in Net Assets	1,031,177	804,575
Net Assets, beginning of year	1,120,843	316,268
Net Assets, end of year	<u>\$ 2,152,020</u>	<u>\$ 1,120,843</u>

THE ORIANNE SOCIETY

Statement of Functional Expenses

Year Ended June 30, 2011

	Programs				Support Services			Total Expenses	
	Captive Breeding	Inventory and Monitoring	Land	Research	Total Program Services	Management and General	Fundraising		Support Services
Salaries and Benefits	\$ 161,272	\$ 111,503	\$ 306,858	\$ 217,235	\$ 796,868	\$ 112,721	\$ 20,179	\$ 132,900	\$ 929,768
Grants	-	-	497,846	47,955	545,801	-	-	-	545,801
Supplies and Equipment	24,100	17,027	83,700	32,588	157,415	8,789	980	9,769	167,184
Travel/Lodging/Meals	12,207	8,707	26,142	49,051	96,107	6,912	-	6,912	103,019
Occupancy	5,421	1,209	13,136	7,120	26,886	13,174	-	13,174	40,060
Technology/Telephone	1,908	1,301	12,248	3,144	18,601	9,164	-	9,164	27,765
Legal/Audit/Other									
Professionals	13,302	7,438	63,817	20,971	105,528	39,830	-	39,830	145,358
Insurance	2,729	1,967	29,412	2,008	36,116	4,838	-	4,838	40,954
Depreciation	5,613	7,675	110,199	12,375	135,862	3,022	-	3,022	138,884
Other	1,321	8,616	7,126	7,106	24,169	11,295	-	11,295	35,464
Total	\$ 227,873	\$ 165,443	\$ 1,150,484	\$ 399,553	\$ 1,943,353	\$ 209,745	\$ 21,159	\$ 230,904	\$ 2,174,257

See notes to financial statements.

THE ORIANNE SOCIETY

Statement of Functional Expenses

Year Ended June 30, 2010

	Programs							Total Expenses
	Captive Breeding	Inventory and Monitoring	Land	Research	Total Program Services	Management and General	Total	
Salaries and Benefits	\$ 217,638	\$ 129,262	\$ 160,345	\$ 137,800	\$ 645,045	\$ 40,390	\$ 685,435	
Grants	-	-	200,000	119,208	319,208	-	319,208	
Supplies and Equipment	17,860	13,854	31,284	59,244	122,242	3,666	125,908	
Travel/Lodging/Meals	12,932	10,370	10,782	23,442	57,526	422	57,948	
Occupancy	5,932	2,502	10,760	5,225	24,419	4,487	28,906	
Technology/Telephone	4,050	2,715	8,850	5,318	20,933	4,385	25,318	
Legal/Audit/Other Professionals	8,548	2,672	34,577	26,641	72,438	32,737	105,175	
Insurance	-	3,521	6,168	-	9,689	1,639	11,328	
Depreciation	149	9,955	43,530	1,956	55,590	186	55,776	
Other	16,289	21,353	22,656	30,976	91,274	15,480	106,754	
Total	\$ 283,398	\$ 196,204	\$ 528,952	\$ 409,810	\$ 1,418,364	\$ 103,392	\$ 1,521,756	

See notes to financial statements.

Statements of Cash Flows

<i>Years Ended June 30,</i>	2011	2010
Cash Flows from Operating Activities:		
Increase in net assets	\$ 1,031,177	\$ 804,575
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Depreciation	138,884	55,776
Realized and unrealized loss on marketable securities	222,186	-
Donated marketable securities	(1,125,500)	-
Changes in operating assets and liabilities:		
Accounts receivable	(35,214)	(53,402)
Contributions receivable	132,980	(174,400)
Prepaid expenses and other current assets	(23,290)	(48,896)
Accounts payable and accrued expenses	(8,030)	55,393
Grants payable	266,595	-
Total adjustments	(431,389)	(165,529)
Net Cash Provided by Operating Activities	599,788	639,046
Cash Flows from Investing Activities:		
Proceeds from sales of marketable securities	259,314	-
Purchase of fixed assets	(738,972)	(482,300)
Net Cash Used in Investing Activities	(479,658)	(482,300)
Increase in Cash and Cash Equivalents	120,130	156,746
Cash and Cash Equivalents, beginning of year	266,141	109,395
Cash and Cash Equivalents, end of year	\$ 386,271	\$ 266,141

Notes to Financial Statements

Years Ended June 30, 2011 and 2010

1. Description of Organization and Summary of Significant Accounting Policies

Organization

The Orianne Society ("Orianne"), previously known in prior years as Project Orianne Ltd., is a not-for-profit wildlife conservation organization incorporated in 2008 in the State of Delaware as a 501(c)(3) tax-exempt organization whose mission is mainly focused on the range-wide conservation of the eastern indigo snake which is on the United States Endangered Species List. Orianne's *Indigo Snake Initiative* is providing expertise and resources to create one of the largest snake conservation efforts in the world. Orianne's focus is on land protection, land management, captive breeding, reintroduction, inventory, monitoring, and research programs. Orianne has two primary approaches to eastern indigo snake conservation: first, to protect and manage land in areas where eastern indigo snake populations remain strong; and, second, to conduct research to understand the cause of snake declines, mitigate the factors that have caused the declines, conduct land management to restore habitats, and reintroduce snakes into areas where they have been extirpated. Orianne is using the *Indigo Snake Initiative* as a model approach to develop conservation programs for additional endangered reptiles and amphibians.

A brief summary of major programs of Orianne consist of the following:

Land Program: Our focus is on protecting a contiguous corridor of eastern indigo snake habitat within the Altamaha River Corridor in Georgia and managing and restoring habitats in the Altamaha River Corridor and in areas of Florida and Alabama where reintroduction efforts are focused. Orianne's prescribed fire team works with a variety of partners to restore and manage habitats. Orianne is spearheading an effort in an area of approximately 35,000 acres of land in South Georgia, owned by a multitude of private and governmental entities, to create an *Indigo Snake Preserve* to protect indigo populations forever. Our flagship *Orianne Indigo Snake Preserve* property within the overall *Indigo Snake Preserve* is leased and managed by us and consists of a stretch of approximately 2,500 acres of land located along the Horse Creek. The *Orianne Indigo Snake Preserve* habitat contains a relatively healthy population of eastern indigo snakes and gopher tortoises and the property is in the process of restoration of the natural environment. In addition, we will be assisting partners in protecting lands throughout Georgia and Florida as needed to ensure the recovery of eastern indigo snake populations.

Captive Breeding and Reintroduction Program: The goal is to breed and to reestablish extirpated populations and augment existing populations of eastern indigo snakes. We are developing the "Captive Propagation and Reintroduction Plan for Eastern Indigo Snakes (*Drymarchon couperi*)" which establishes basic protocols for propagating eastern indigo snakes, such as identifying communication and coordination prior to reintroduction, source populations, regions for reintroduction, areas for habitat restoration, and existing federal and state policy requirements for permitting reintroduction and augmentation actions. At this time, we are constructing facilities in Florida where indigo snakes will be bred and raised in preparation for release in the wild.

Inventory and Monitoring Program: The primary goal is to determine the distribution and status of eastern indigo snake populations by designing and implementing a long-term monitoring program for the Altamaha River Corridor in Georgia. This site has been targeted due to the fact that it is one of the greatest remaining strongholds of eastern indigo snake populations. Inventory and monitoring efforts will provide valuable baseline data for the targeted regions and will help demonstrate whether our reintroduction efforts at specific sites are successful based on the long-term survival, reproduction, and site fidelity baselines.

Notes to Financial Statements

Years Ended June 30, 2011 and 2010

Research Program: Our research program conducts and facilitates numerous studies on the eastern indigo snake, eastern diamondback rattlesnake, and gopher tortoise ecology. Projects, among others, are determining whether dogs can be used as a tool to locate eastern indigo snakes in their natural habitats, the affect of habitat fragmentation on eastern indigo snakes, population viability analysis, predation on eastern indigo snakes, physiological ecology of indigo snakes, and range-wide and regional eastern indigo snake genetic analyses. Because gopher tortoise burrows and eastern diamondback rattlesnakes play such central roles in the habitat requirements for eastern indigo snakes, the majority of our programs involve gopher tortoises, eastern diamondback rattlesnakes and their habitat requirements which studies include, among others, gopher tortoise recruitment and the effects of habitat fragmentation on eastern diamondback rattlesnakes.

Summary of Significant Accounting Policies

Basis of financial statement presentation - Oriante's financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("US GAAP").

Estimates - The preparation of 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 financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Revenue recognition - Oriante's primary source of financial support consists of donations and grants.

Operating indicator - Oriante considers unrestricted revenue and expenses to be part of its normal operations and considers net unrestricted income (loss) as its operating indicator.

Fair value measurements - Oriante establishes a framework for measuring the fair value of financial assets and liabilities and nonfinancial assets and liabilities which are measured at fair value on a recurring (annual) basis in the form of a fair value hierarchy that prioritizes the inputs into valuation techniques used to measure fair value into three broad levels. This hierarchy gives the highest priority to unadjusted quoted prices in active markets and the lowest priority to unobservable inputs. Further, financial assets and liabilities should be classified by level in their entirety based upon the lowest level of input that was significant to the fair value measurement. The three levels of the fair value hierarchy are as follows:

Level 1: Unadjusted quoted market prices in active markets for identical assets or liabilities that are accessible at the measurement date.

Level 2: Quoted prices in inactive markets for identical assets or liabilities, quoted prices for similar assets or liabilities in active markets, or other observable inputs either directly related to the asset or liability or derived principally from corroborated observable market data.

Level 3: Unobservable inputs due to the fact that there is little or no market activity. This entails using assumptions in models which estimate what market participants would use in pricing the asset or liability.

Donor-imposed restrictions - Oriante reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. All donor-restricted contributions are reported in the first instance as an increase in temporarily restricted net assets. When a donor 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 revenue section of the statements of activities and changes in net assets, as net assets released from restrictions.

Notes to Financial Statements

Years Ended June 30, 2011 and 2010

Unconditional promises to give (pledges receivable) - When Orianne receives unconditional promises to give that are expected to be collected within one year, they are recorded as contributions at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using average risk-free interest rates (adjusted for any risk premiums, when applicable) applicable to the year in which the promises are received. Amortization of the discounts is included in contribution revenue as an increase in unrestricted or temporarily restricted net assets, as appropriate.

Unconditional promises to give to others - When Orianne makes unconditional promises to give to others a liability or expense is recorded at the time of promise.

Conditional promises to give (pledges receivable) - When Orianne receives conditional promises to give they are not included as contributions by Orianne until the conditions have been substantially met.

Conditional promises to give to others - When Orianne makes conditional promises to give to others no liability or expense is recorded until the conditions have been substantially met.

Statements of cash flows - For purposes of the statements of cash flows, Orianne considers all highly liquid debt instruments with an original maturity of three months or less, at the date of purchase, to be cash equivalents.

Allowance for doubtful accounts - Periodically, the individual accounts and pledges receivable balances are reviewed and evaluated as to their collectability, and a provision for doubtful accounts is estimated based on the amounts Orianne expects to collect on the receivable balance. Receivables are charged to the allowance for doubtful accounts when management has determined that further collection efforts are not warranted.

Fixed assets - Fixed assets are carried at cost. Buildings, furniture and fixtures, and equipment in excess of \$5,000 are capitalized and depreciated over their estimated useful life or the term of the related lease, whichever is less, using the straight-line method starting the month of purchase. The carrying amounts of assets and the related accumulated depreciation are removed from the accounts when such assets are disposed of and any resulting gain or loss is included in operations in the year of disposal. Estimated useful lives consist of: buildings 10 to 15 years; furniture and fixtures 5 years; equipment 3 to 5 years.

Impairment of long-lived assets - Orianne assesses the recoverability of its long-lived assets, such as property and equipment, whenever events or changes in circumstances indicate that the carrying value of the assets may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to estimated undiscounted future net cash flows expected to be generated by the asset. If the carrying amount of an asset exceeds its estimated future cash flows, an impairment charge is recognized by the amount by which the carrying amount of the asset exceeds the fair value of the asset. No such events or circumstances occurred during the years ended June 30, 2011 and 2010 and, accordingly, Orianne has not recognized any asset impairment.

Income taxes - Orianne qualifies as a tax-exempt organization under the existing provisions of Internal Revenue Code Section 501(c)(3) and donations to Orianne are tax deductible to the donor. Non-investment income is generally not subject to federal or state income and excise taxes. Orianne's accounting policy is to provide liabilities for uncertain tax positions when a liability is probable and estimable. Orianne recognizes the effect of income tax positions only when the tax positions are more likely than not of being sustained. Management is not aware of any violations of its tax status as an organization exempt from income taxes, nor of any exposure to unrelated business income tax. All years since inception in 2008 are subject to audits by the applicable taxing jurisdictions.

Notes to Financial Statements

Years Ended June 30, 2011 and 2010

In-kind contributions - Oriante receives in-kind contributions, which were not significant in the years ended June 30, 2011 and 2010, and are included in contributions in the statements of activities and changes in net assets. In addition, Oriante receives the unconditional use of the properties comprising the *Oriante Indigo Snake Preserve*, solely for its environmental work in connection with the protection of indigo snakes, under leases having a nominal cost per year. It is not practicable to estimate the fair value of such use and, accordingly, no amounts are included in either contributions or expenses in the accompanying financial statements.

Allocated expenses - Oriante's expenses have been summarized on a functional basis in accordance with accounting principles generally accepted in the United States of America.

Most expenses may be identified to their related program or supporting service and are recorded accordingly. Certain salaries and other expenses have been allocated based on estimated time spent, the percentage of each program's direct expenses over total program costs, or other bases considered appropriate given the nature of the expense.

Marketable securities - Oriante classifies its equity securities that have readily determinable fair values as available for sale securities. Available for sale securities are recorded at fair value. Unrealized holding gains and losses on available for sale securities are excluded from the operating indicator and are reported as a separate component of unrestricted net assets as other non-operating activities until realized. Realized gains and losses from the sale of available for sale securities are determined on a specific identification basis. A decline in the market value of any available for sale securities below cost deemed to be other than temporary results in an impairment to reduce the carrying amount to fair value and is treated as a realized loss at time of other than temporary impairment. To determine if impairment is other than temporary, Oriante considers all available information relevant to the collectability of the security, including past events, current conditions, and reasonable and supportable forecasts when developing estimate of cash flows expected to be collected.

Other non-operating activities - Other non-operating activities include changes in certain assets and liabilities that are reported directly in unrestricted net assets and are not included as part of the operating indicator. For the year ended June 30, 2011, other non-operating activities included the change in the fair value of available for sale securities and is reported on the statements of activities and changes in net assets.

Subsequent events evaluation by management - Management evaluates subsequent events for disclosure and/or recognition in the financial statements through the date that the financial statements are available to be issued.

Reclassifications - Certain expense reclassifications have been made to the 2010 statement of functional expenses to conform to the 2011 presentation. Such reclassifications have no effect on previously reported total program services, total management and general expenses or total expenses.

Recently issued accounting pronouncement - In January 2010, Accounting Standards Codification guidance for fair value measurements and disclosure was updated to require additional disclosures related to transfers in and out of Level 1 and Level 2 fair value measurements. The guidance was amended to clarify the level of disaggregation required for assets and liabilities and the disclosures required for inputs and valuation techniques used to measure the fair value of assets and liabilities that fall in either Level 2 or Level 3. The updated guidance was adopted in the current fiscal year had no impact on Oriante's statements of financial position, activities and changes in net assets, functional expenses, or cash flows.

Notes to Financial Statements

Years Ended June 30, 2011 and 2010

2. Fair Value Measurements

At June 30, 2011, Orianne had marketable securities with a fair value aggregating \$644,000 with an original cost basis of \$787,850. These securities are considered short-term available for sale securities and are classified within Level 1 of the fair value hierarchy. These securities are comprised of common stock in a single company within the mining industry, which have been valued using quoted prices in active markets. Orianne did not have any Level 2 or Level 3 financial assets and liabilities measured at fair value on a recurring basis as of June 30, 2011 or 2010. Orianne's accounting policy is to recognize transfers between levels of the fair value hierarchy on the date of the event or change in circumstances that caused the transfer. There were no significant transfers into or out of Level 1, Level 2, or Level 3 for the years ended June 30, 2011 or 2010.

Fair Value of Other Financial Instruments.

At June 30, 2011 and 2010, Orianne's other financial instruments consist of cash and cash equivalents, receivables, accounts payable and other current liabilities. The carrying amounts of these financial instruments approximate fair value due to their short maturities.

3. Fixed Assets, net

Fixed assets consist of the following:

<i>June 30,</i>	2011	2010
Land	\$ 377,100	\$ -
Buildings	544,416	257,196
Furniture and Fixtures	32,282	32,282
Equipment	404,380	345,075
	<u>1,358,178</u>	<u>634,553</u>
Less Accumulated Depreciation	208,906	70,022
	<u>1,149,272</u>	<u>564,531</u>
Construction in Progress	78,544	63,197
Fixed Assets, net	<u>\$ 1,227,816</u>	<u>\$ 627,728</u>

Depreciation expense was approximately \$139,000 and \$56,000 for the years ended June 30, 2011 and 2010, respectively. No provision for depreciation is made on construction in progress until such time as the relevant assets are completed and put into use.

4. Temporarily Restricted Net Assets

Temporarily restricted net assets are comprised of contributions restricted by the donors for the following purposes:

<i>June 30,</i>	2011	2010
Grant to USFS	\$ -	\$ 100,000
Capital Assets and Land Improvement	768,981	290,900
Research	9,502	30,000
Rebranding Project	25,086	-
	<u>\$ 803,569</u>	<u>\$ 420,900</u>

Notes to Financial Statements

Years Ended June 30, 2011 and 2010

A portion of these temporarily restricted contributions are also restricted by time as they have not yet been received by Oriante. At June 30, 2011 and 2010, cash and marketable securities received relating to temporarily restricted net assets (reported as a component of cash and cash equivalents and marketable securities) amounted to approximately \$804,000 and \$246,500, respectively.

5. Related Party Transactions

Since inception, a significant portion of the unrestricted and temporarily restricted contributions were received from a member of Oriante's Board of Directors. Pledges receivable at June 30, 2011 and 2010 aggregating \$21,300 and \$174,400, respectively, are due from the Director and/or his family.

The two leases for the *Oriante Indigo Snake Preserve* are with related parties. The leases are for ten-year periods with annual rental payments of one dollar (\$1.00) per year with automatic one-year renewals at the same annual rental rate. Oriante may use the properties solely for its environmental work in connection with the protection of indigo snakes and may not sublet or assign the leases. (see Note 7 for additional information relative to leases).

6. Retirement Plan

During 2008, Oriante adopted The Oriante Society 401(k) Retirement Plan ("Plan"), which has a calendar year end. Under the Plan provisions, employees may make elective contributions of amounts up to the federal limitations. Effective with the Plan year starting January 1, 2010, employee elective contributions are matched by employer contributions to the Plan on, at a minimum, an annual Plan year basis. Oriante matches employee elective contribution at a rate of 100% up to 3% of the employee's gross pay and 50% of the excess of compensation above 3% but not to exceed 5% of total compensation. Oriante's matching employee elective contributions vest immediately. Total pension expense for the years ended June 30, 2011 and 2010 aggregated approximately \$21,000 and \$7,000, respectively.

7. Commitments and Contingencies

Land leases - On April 24, 2009 and April 26, 2010, Oriante entered into two ten-year leases for land that comprise the *Oriante Indigo Snake Preserve* in Telfair County, Georgia. Oriante may use the properties solely for its environmental work in connection with the protection of indigo snakes and may not sublet or assign the leases. Annual rent payments are one dollar (\$1.00) for each of the leases.

Office leases - During the year ended June 30, 2010, Oriante entered into a lease that provides for annual renewals, up to a total of three years. The lease is a non-cancelable operating lease for office space, having annual rent payments of \$18,000. The lease expired in August 2011; however, Oriante has exercised its renewal option through August 1, 2012, at which time the lease expires. In addition, Oriante had various month-to-month space leases. Rent expense under all leases aggregated approximately \$19,000 and \$27,000 for the years ended June 30, 2011 and 2010, respectively.

Concentration of credit risk - Financial instruments that potentially subject Oriante to concentrations of credit risk consist principally of temporary cash investments, marketable securities and receivables. Oriante places its temporary cash investments with high credit quality financial institutions; however, in the event of the financial institution's insolvency, recovery of Oriante's assets on deposit may be limited to account insurance by the Federal Deposit Insurance Corporation or other protection afforded such deposits. Marketable securities consist of common stock in a single corporation in the mining industry.

Notes to Financial Statements

Years Ended June 30, 2011 and 2010

Other commitments - Orienne has entered into construction contracts aggregating approximately \$539,000, for the construction and/or renovation of facilities on property in north central Florida to be used for indigo snake breeding purposes. In addition, Orienne has entered into construction contracts aggregating approximately \$40,000, for the construction and/or renovation of staff housing facilities. During 2010, Orienne entered into an agreement to make conditional grants to the University of Massachusetts having a remaining contingent obligation of approximately \$13,000 at June 30, 2011.

8. Subsequent Event

On September 19, 2011, Orienne received a Limited Warranty and Quitclaim Deed of Gift from a related party for approximately 850 acres of land, including all structures and contents. As described in Note 5, *Related Party Transactions*, this property had been previously leased to Orienne by the related party for a nominal \$1.00 annual fee.

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through the date that the financial statements were available to be issued, which date is September 21, 2011. No transactions or events subsequent to June 30, 2011 through September 21, 2011 were noted that require additional consideration or disclosure in the accompanying financial statements.