

**THE ORIANNE SOCIETY**

Athens, Georgia

FINANCIAL STATEMENTS

Including Independent Auditors' Report

As of and for the Years Ended December 31, 2015 and 2014

# THE ORIANNE SOCIETY

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## **FINANCIAL STATEMENTS**

## INDEPENDENT AUDITORS' REPORT

Board of Directors  
The Orianne Society  
Athens, Georgia

We have audited the accompanying financial statements of The Orianne Society ("Orianne"), which comprise the statements of financial position as of December 31, 2015 and 2014, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

***Management's Responsibility for the Financial Statements***

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

***Auditors' Responsibility***

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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Orianne as of December 31, 2015 and 2014, and the changes in its net assets, its functional expenses, and its cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

*Baker Tilly Virchow Krause, LLP*

New York, New York  
March 8, 2016

# THE ORIANNE SOCIETY

## STATEMENTS OF FINANCIAL POSITION

As of December 31, 2015 and 2014

	<u>2015</u>	<u>2014</u>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 662,083	\$ 841,551
Contributions receivable	73,488	7,445
Accounts receivable	42,408	68,721
Prepaid expenses and other current assets	<u>56,887</u>	<u>64,864</u>
Total Current Assets	<u>834,866</u>	<u>982,581</u>
<b>NON-CURRENT ASSETS</b>		
Fixed assets, net	4,520,726	4,566,333
Contributions receivable	<u>5,000</u>	<u>10,000</u>
Total Non-Current Assets	<u>4,525,726</u>	<u>4,576,333</u>
<b>TOTAL ASSETS</b>	<u>\$ 5,360,592</u>	<u>\$ 5,558,914</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued expenses	\$ 30,336	\$ 26,791
Deferred revenue	<u>772</u>	<u>4,172</u>
Total Current Liabilities	<u>31,108</u>	<u>30,963</u>
<b>NET ASSETS</b>		
Unrestricted	5,264,681	5,500,092
Temporarily restricted	<u>64,803</u>	<u>27,859</u>
Total Net Assets	<u>5,329,484</u>	<u>5,527,951</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$ 5,360,592</u>	<u>\$ 5,558,914</u>

See notes to financial statements.

# THE ORIANNE SOCIETY

## STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS For the Years Ended December 31, 2015 and 2014

	2015	2014
<b>Changes in Unrestricted Net Assets</b>		
Operating revenue:		
Contributions	\$ 742,760	\$ 226,849
Governmental grants	173,463	96,928
Net assets released from restrictions	17,556	1,046,013
Other income	3,664	24,973
Total Operating Revenue	937,443	1,394,763
Operating expenses:		
Programs	777,997	823,597
Support services	394,857	370,372
Total Operating Expenses	1,172,854	1,193,969
Net Operating (Loss) Income	(235,411)	200,794
Non-Operating Activities:		
Donation of long-lived assets	-	(1,099,373)
Total Non-Operating Activities	-	(1,099,373)
Decrease in Unrestricted Net Assets	(235,411)	(898,579)
<b>Changes in Temporarily Restricted Net Assets</b>		
Contributions (net of refund of \$3,193 in 2014)	54,500	23,802
Net assets released from restrictions	(17,556)	(1,046,013)
Increase (Decrease) in Temporarily Restricted Net Assets	36,944	(1,022,211)
<b>Decrease in Net Assets</b>	(198,467)	(1,920,790)
NET ASSETS, Beginning of Year	5,527,951	7,448,741
<b>NET ASSETS, END OF YEAR</b>	<b>\$ 5,329,484</b>	<b>\$ 5,527,951</b>

See notes to financial statements.

## THE ORIANNE SOCIETY

### STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended December 31, 2015

	Programs					Support Services			Total Expenses
	Communications	Longleaf Pine Ecosystem Initiative	Appalachian Highlands Initiative	Citizen Science Initiative	Total Program Services	Management and General	Fundraising	Total Support Services	
Salaries and Benefits	\$ 70,953	\$ 239,908	\$ 71,402	\$ 51,206	\$ 433,469	\$ 53,527	\$ 160,240	\$ 213,767	\$ 647,236
Contracted Staff	-	17,990	-	-	17,990	82,766	-	82,766	100,756
Supplies and Equipment	7,689	62,162	9,929	1,363	81,143	721	5,551	6,272	87,415
Travel/Lodging/Meals	2,786	25,339	3,180	5,648	36,953	2,387	21,121	23,508	60,461
Occupancy	9,439	41,173	4,719	4,719	60,050	9,439	9,439	18,878	78,928
Technology/Telephone	8,041	7,091	825	809	16,766	2,216	4,069	6,285	23,051
Professionals and Consultants	-	36,744	-	-	36,744	21,000	-	21,000	57,744
Insurance	1,177	27,677	-	178	29,032	6,417	1,592	8,009	37,041
Depreciation	3,358	57,564	80	80	61,082	365	161	526	61,608
Other	1,812	2,828	72	56	4,768	5,658	8,188	13,846	18,614
<b>Total</b>	<b>\$ 105,255</b>	<b>\$ 518,476</b>	<b>\$ 90,207</b>	<b>\$ 64,059</b>	<b>\$ 777,997</b>	<b>\$ 184,496</b>	<b>\$ 210,361</b>	<b>\$ 394,857</b>	<b>\$ 1,172,854</b>

See notes to financial statements.

## THE ORIANNE SOCIETY

### STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended December 31, 2014

	Programs						Support Services			Total Expenses
	Communications	Center for Indigo Conservation	Longleaf Pine Ecosystem Initiative	Appalachian Highlands Initiative	Citizen Science Initiative	Total Program Services	Management and General	Fundraising	Total Support Services	
Salaries and Benefits	\$ 69,540	\$ 25,602	\$ 207,803	\$ 51,171	\$ 43,431	\$ 397,547	\$ 51,280	\$ 135,270	\$ 186,550	\$ 584,097
Contracted Staff	-	3,006	14,652	-	-	17,658	76,320	-	76,320	93,978
Supplies and Equipment	15,805	1,132	54,830	5,249	1,868	78,884	740	6,935	7,675	86,559
Travel/Lodging/Meals	3,188	818	35,764	1,094	2,504	43,368	3,954	21,222	25,176	68,544
Occupancy	6,601	2,005	29,097	2,524	962	41,189	9,735	6,593	16,328	57,517
Technology/Telephone	14,051	639	10,008	1,136	741	26,575	1,912	12,489	14,401	40,976
Professionals and Consultants	-	361	45,058	-	-	45,419	21,000	-	21,000	66,419
Insurance	1,805	3,347	30,011	426	344	35,933	3,576	-	3,576	39,509
Depreciation	2,492	10,597	92,430	1,072	795	107,386	1,082	833	1,915	109,301
Other	6,987	18,100	3,766	415	370	29,638	4,794	12,637	17,431	47,069
<b>Total</b>	<b>\$ 120,469</b>	<b>\$ 65,607</b>	<b>\$ 523,419</b>	<b>\$ 63,087</b>	<b>\$ 51,015</b>	<b>\$ 823,597</b>	<b>\$ 174,393</b>	<b>\$ 195,979</b>	<b>\$ 370,372</b>	<b>\$ 1,193,969</b>

See notes to financial statements.



# THE ORIANNE SOCIETY

## STATEMENTS OF CASH FLOWS For the Years Ended December 31, 2015 and 2014

	<u>2015</u>	<u>2014</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Decrease in net assets	\$ (198,467)	\$ (1,920,790)
Adjustments to reconcile decrease in net assets to net cash flows from operating activities:		
Depreciation	61,608	109,301
Donation of long-lived assets	-	1,099,373
Changes in operating assets and liabilities:		
Contributions receivable	(66,043)	17,918
Accounts receivable	26,312	(18,779)
Prepaid expenses and other current assets	7,977	(10,240)
Long-term pledges	5,000	(10,000)
Current liabilities	145	(8,786)
Total adjustments	<u>34,999</u>	<u>1,178,787</u>
Net Cash Flows from Operating Activities	<u>(163,468)</u>	<u>(742,003)</u>
Cash Flows from Financing Activities:		
Purchase of equipment	<u>(16,000)</u>	-
Net Cash Flows from Financing Activities	<u>(16,000)</u>	-
<b>Net Change in Cash and Cash Equivalents</b>	(179,468)	(742,003)
CASH AND CASH EQUIVALENTS, Beginning of Year	<u>841,551</u>	<u>1,583,554</u>
<b>CASH AND CASH EQUIVALENTS, End of Year</b>	<u>\$ 662,083</u>	<u>\$ 841,551</u>

See notes to financial statements.

# THE ORIANNE SOCIETY

NOTES TO FINANCIAL STATEMENTS  
As of and for the Years Ended December 31, 2015 and 2014

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## **NOTE 1 - Description of Organization and Summary of Significant Accounting Policies**

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### *Organization*

The Oriante Society ("Oriante") is a not-for-profit wildlife conservation organization incorporated in the State of Delaware as a 501(c)(3) tax-exempt organization whose mission is the conservation of imperiled reptiles and amphibians and their habitats. Oriante identifies declining reptile and amphibian species that are representative of the ecosystems they inhabit. Oriante conducts scientific research to determine what factors are causing these species' decline and what steps need to be taken to mitigate those factors and then develops conservation programs to address these factors.

**A brief summary of the major conservation initiatives of Oriante consist of the following:**

### **Longleaf Pine Ecosystem Initiative**

The Longleaf Pine Ecosystem is one of the most biologically diverse temperate regions in the world. A long history of conversion of native forests to agriculture and commercial timberland, road construction, and fire suppression has resulted in less than 3% of the original longleaf pine forest remaining. In addition to having some of the highest biodiversity in North America, the longleaf pine ecosystem is home to many endangered species of plants and wildlife including many reptiles and amphibians (e.g., Eastern Indigo Snakes, Gopher Tortoises, Eastern Diamondback Rattlesnakes, and Flatwoods Salamanders). Oriante owns and manages the Oriante Preserve System ("OPS") (which consists of one of the ten most critical sandhill areas in Georgia) for endangered species. The OPS is in the process of restoration of the land to that of the original habitat of longleaf pine and other grasslands. In addition to the OPS, Oriante also has extensive land restoration/stewardship programs and research/inventory/monitoring programs on governmental and private lands focused primarily on conservation and improvement of the environment, upland snakes, Gopher Tortoises and freshwater turtles.

### **Appalachian Highlands Initiative**

The southern Appalachian Mountains encompass much of the higher elevations of the eastern mid-Atlantic United States and provide important habitats for many species dependent on temperate montane ecosystems. Salamanders are especially important components of southern Appalachian environments, and the region houses some of the highest diversity of salamanders in the world. Furthermore, several imperiled reptile species occur in patchy populations around mountains and are threatened from both habitat loss and human persecution. Important species for conservation include Hellbender Salamanders, Montane Lungless Salamanders, Bog Turtles, and Timber Rattlesnakes. Oriante has active programs to restore Appalachian creeks and streams that serve as critical habitats for rare salamanders and native fish and specific research and monitoring programs for rare salamanders and Timber Rattlesnakes.

### **Citizen Science Initiative**

Involving the public in scientific and conservation projects is an important initiative for Oriante. It provides a direct link between our projects and citizens interested in conserving reptiles and amphibians. The Citizen Science Initiative was formally started in the current year and allows us to collect important data from a wider area than we would be able to simply using Oriante staff. Oriante's current projects include special place-based events and broader-scale data solicitation projects. Furthermore, we are developing comprehensive herpetological databases that will allow the public to enter data at any time and be able to continually interact with Oriante.

# THE ORIANNE SOCIETY

NOTES TO FINANCIAL STATEMENTS  
As of and for the Years Ended December 31, 2015 and 2014

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## **NOTE 1 - Description of Organization and Summary of Significant Accounting Policies (cont.)**

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### **Citizen Science Initiative (cont.)**

Our place-based events include field events in Georgia, North Carolina, and Florida. Our annual “*Indigo Days*” event provides an opportunity to showcase our OPS and show members what we do on a day-to-day basis to conserve these species, including land restoration and surveying for Eastern Indigo Snakes and Eastern Diamondback Rattlesnakes. Our place-based events allow us to get out into the field with our members to educate them and to collect valuable data.

We are also initiating steps to develop a global herpetological database. Our herpetological database will be built through a combination of focused projects addressing a specific citizen science question, as well as a broader database meant to store opportunistic observations from the general public. This structure will not only provide us with continuous data from the public, but also give us the flexibility to immediately gather data for herpetological conservation questions and initiatives as they arise. We developed a project called “*Snapshots in Time*” to begin compiling citizen-collected data. Our initial efforts have focused on collecting data for two species, Spotted Salamanders and Wood Frogs. In upcoming years we will be adding additional species to the project.

### **The Orianne Center for Indigo Conservation ("OCIC")**

The OCIC is a cutting-edge facility specifically designed for the propagation of Eastern Indigo Snakes for release into the wild. The OCIC is comprised of a Health Care Center, Herpetarium, Quarantine Facilities, and Outdoor Enclosure Area and is the only facility of its kind in the United States. Effective March 1, 2014, the Central Florida Zoological Society assumed full operating responsibility of OCIC under a lease agreement.

### **Communications**

Orianne is working to educate, inspire and inform local communities, the general public, and decision makers by communicating practical area-wide and local solutions that are needed to save and preserve, among other species, the Gopher Tortoises and Eastern Indigo Snakes and the related environment. As part of this process, we utilize various written, pictorial and electronic media to document the Gopher Tortoises, Eastern Indigo Snakes and other cohabitants in their environment and utilize such data to communicate to the scientific, political and other concerned individuals the current state and future needs of the conservation effort to save the Gopher Tortoises and Eastern Indigo Snakes and other imperiled species.

### **Summary of Significant Accounting Policies**

#### *Basis of Financial Statement Presentation*

Orianne's financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"). Net assets are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of Orianne and changes therein are classified and reported as unrestricted net assets and temporarily restricted net assets. Orianne has no permanently restricted net assets. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reflected in the Statements of Activities and Changes in Net Assets as net assets released from restrictions.

# THE ORIANNE SOCIETY

## NOTES TO FINANCIAL STATEMENTS As of and for the Years Ended December 31, 2015 and 2014

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### **NOTE 1 - Description of Organization and Summary of Significant Accounting Policies (cont.)**

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#### *Estimates*

The preparation of financial statements in conformity with U.S. GAAP 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*

Orianne's primary sources of financial support consist of donations and governmental and private grants.

#### *Operating Indicator*

The Statements of Activities and Changes in Net Assets includes the caption Net Operating (Loss) Income which is deemed by Orianne to be its operating indicator. Transactions deemed by management to be ongoing, major or central to the support services and programs are reported as operating revenue and operating expenses and are included in the operating indicator. All other changes in unrestricted net assets are included within the caption Non-Operating Activities and excluded from the operating indicator.

#### *Fair Value Measurements*

Orianne 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 organized into three levels based upon the input assumptions used for pricing assets and liabilities that prioritizes the inputs into valuation techniques used to measure fair value into three broad levels. Level 1 inputs have the highest reliability and are related to assets with quoted prices in active markets. Level 2 inputs relate to assets with other than quoted prices that are observable, either directly or indirectly, with fair value being determined through the use of models or other valuation methodologies. Level 3 inputs are unobservable inputs and are used to the extent that observable inputs do not exist. In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, an investment's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement.

Orianne 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 within the caption Non-Operating Activities until realized. Realized gains and losses from the sale of available for sale securities are determined on a first-in, first-out 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, Orianne considers all available information relevant to the collectability of the security, including past events, current conditions, and reasonable and supportable forecasts when developing estimates of cash flows expected to be collected.

# THE ORIANNE SOCIETY

NOTES TO FINANCIAL STATEMENTS  
As of and for the Years Ended December 31, 2015 and 2014

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## **NOTE 1 - Description of Organization and Summary of Significant Accounting Policies (cont.)**

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### *Donor-imposed Restrictions*

Orianne 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 operating revenue section of the Statements of Activities and Changes in Net Assets as net assets released from restrictions.

### *Unconditional Promises to Give (Contributions 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 is recorded at the time of promise.

### *Conditional Promises to Give (Contributions 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 contributions 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 balances. Receivables are charged to the allowance for doubtful accounts when management has determined that further collection efforts are not warranted.

# THE ORIANNE SOCIETY

## NOTES TO FINANCIAL STATEMENTS As of and for the Years Ended December 31, 2015 and 2014

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### **NOTE 1 - Description of Organization and Summary of Significant Accounting Policies (cont.)**

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#### *Property, Buildings, Furniture and Fixtures and Equipment*

Property, buildings, furniture and fixtures and equipment assets are carried at cost or fair market value 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 in which the asset is put into use. 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 the Operating Activities section of the Statements of Activities and Changes in Net Assets in the year of disposal. Estimated useful lives consist of: buildings - 10 to 20 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.

#### *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. Orianne has filed for a change in status from a private operating foundation to public charity status. A final determination of tax status classification by the Internal Revenue Service will take place in 2019. 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 has determined that Orianne had no uncertain tax positions that would require financial statement recognition or disclosure. Management is also not aware of any violations of its tax status as an organization exempt from income taxes. Fiscal tax years for 2012 and subsequent years are subject to audits by the applicable taxing jurisdictions.

#### *Allocated Expenses*

Orianne's expenses have been summarized on a functional basis in accordance with U.S. GAAP. Most expenses may be identified to their related program or support 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.

#### *In-Kind Contributions*

During the years ended December 31, 2015 and 2014, Orianne received in-kind contributions of office space, amounting to approximately \$32,000 and \$15,000, respectively, at fair value and is included in contributions and expenses in the Statements of Activities and Changes in Net Assets.

# THE ORIANNE SOCIETY

## NOTES TO FINANCIAL STATEMENTS As of and for the Years Ended December 31, 2015 and 2014

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### **NOTE 1 - Description of Organization and Summary of Significant Accounting Policies (cont.)**

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#### *Government Grants*

Orienne receives various governmental grants and records grant revenue when earned. Grants received but not yet earned at December 31, 2015 and 2014 amounted to approximately \$178,800 and \$178,700, respectively.

#### *Reclassifications*

Certain reclassifications were made to the 2014 statement of functional expenses to conform to the 2015 presentation. These reclassifications had no impact on the changes in net assets previously reported.

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### **NOTE 2 - Fair Value Measurement**

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Orienne did not have any Level 1, Level 2 or Level 3 financial assets and liabilities measured at fair value on a recurring basis as of December 31, 2015. Orienne'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 transfers into or out of Level 1, Level 2, or Level 3 for the years ended December 31, 2015 and 2014.

At December 31, 2015 and 2014, Orienne'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.

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### **NOTE 3 - Fixed Assets, net**

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Fixed assets consist of the following:

	<u>2015</u>	<u>2014</u>
Land	\$ 4,012,100	\$ 4,012,100
Buildings	658,950	658,950
Furniture and Fixtures	28,297	28,297
Equipment	<u>449,409</u>	<u>433,409</u>
	5,148,756	5,132,756
Less Accumulated Depreciation	<u>628,030</u>	<u>566,423</u>
Fixed Assets, net	<u>\$ 4,520,726</u>	<u>\$ 4,566,333</u>

Depreciation expense was approximately \$62,000 and \$109,000 for the years ended December 31, 2015 and 2014, respectively.

# THE ORIANNE SOCIETY

## NOTES TO FINANCIAL STATEMENTS

As of and for the Years Ended December 31, 2015 and 2014

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### NOTE 3 - Fixed Assets, net (cont.)

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During the year ended December 31, 2014, Oriante entered into a Rental Lease Agreement (the "Lease") with Central Florida Zoological Society, Inc. ("CFZ"), a tax-exempt organization. Under the Lease, among other things, Oriante leased the land, buildings, equipment and breeding stock inventory to CFZ commencing March 1, 2014 and ending February 28, 2022. Rental payments to Oriante are \$1.00 per year and at the end of the Lease, CFZ may purchase the property, buildings, equipment and breeding stock for the sum of \$100.00. The terms of the Lease are such that it is more likely than not that the terms in the Lease will be complied with by CFZ. Accordingly, the underlying assets at inception of the Lease were treated in a manner similar to a donation for accounting purposes and the net book value of the underlying land, buildings, equipment and breeding stock was recorded as a donation in the Statements of Activities and Changes in Net Assets within the caption Non-Operating Activities.

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### NOTE 4 - Temporarily Restricted Net Assets and Pledge Receivable

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Temporarily restricted net assets at December 31, 2015 and 2014 are comprised of contributions received that are restricted by the donors for the following purposes:

	<u>2015</u>	<u>2014</u>
Research	\$ 62,150	\$ 25,206
Communications	<u>2,653</u>	<u>2,653</u>
Total Temporarily Restricted Net Assets	<u>\$ 64,803</u>	<u>\$ 27,859</u>

A portion of these temporarily restricted contributions are also restricted by time as they have not yet been received by Oriante. At December 31, 2015 and 2014, cash and marketable securities not yet received relating to temporarily restricted net assets amounted to approximately \$12,500 and \$15,000, respectively.

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### NOTE 5 - Related Party Transactions

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Since inception, a significant portion of the unrestricted and temporarily restricted contributions were received from a member of Oriante's Board of Directors.

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### NOTE 6 - Retirement Plan

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The Oriante Society 401(k) Retirement Plan ("Plan") has a calendar year end and under the Plan provisions, employees may make elective contributions of amounts up to the federal limitations. Employee elective contributions are matched by employer contributions to the Plan on, at a minimum, an annual Plan year basis. Oriante matches employee elective contributions at a rate of 100% of 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 December 31, 2015 and 2014 aggregated approximately \$14,500 and \$14,000, respectively.



# THE ORIANNE SOCIETY

## NOTES TO FINANCIAL STATEMENTS As of and for the Years Ended December 31, 2015 and 2014

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### **NOTE 7 - Commitments and Contingencies**

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#### *Office Leases*

Orianne has month-to-month leases for office space. Rent expense under all leases aggregated approximately \$10,800 and \$26,000 for the years ended December 31, 2015 and 2014, respectively.

#### *Concentration of Credit Risk*

Financial instruments that potentially subject Orianne to concentrations of credit risk consist principally of temporary cash investments and receivables. Orianne places its temporary cash investments with high credit quality financial institutions; however, in the event of the financial institution's insolvency, recovery of Orianne's assets on deposit may be limited to account insurance by the Federal Deposit Insurance Corporation or other protection afforded such deposits.

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### **NOTE 7 - Commitments and Contingencies (cont.)**

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#### *Gain Contingency*

As more fully described in Note 3 to the financial statements, during the year ended December 31, 2014 Orianne entered into a Rental Lease Agreement under which terms a \$1,099,373 reduction of long-lived assets was recorded. In the remote event the terms of the Rental Lease Agreement are not fulfilled through February 28, 2022, and the underlying assets returned to Orianne, Orianne may have a gain to the extent of the then value of the long-lived assets.

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### **NOTE 8 - Subsequent Events**

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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 March 8, 2016.

No transactions or events subsequent to December 31, 2015 through March 8, 2016, other than those disclosed, were noted that require additional consideration or disclosure in the accompanying financial statements.