



# **The Orianne Society**

Financial Statements

December 31, 2018 and 2017

# The Orianne Society

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## Independent Auditors' Report

To the Board of Directors of  
The Orianne Society

### Report on the Financial Statements

We have audited the accompanying financial statements of The Orianne Society, which comprise the statements of financial position as of December 31, 2018 and 2017, 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 conformity 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 The Orianne Society as of December 31, 2018 and 2017, 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.

*Baker Tilly Virchow Krause, LLP*

New York, New York  
April 19, 2019

# The Orianne Society

## Statements of Financial Position

December 31, 2018 and 2017

	<u>2018</u>	<u>2017</u>
<b>Assets</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 822,393	\$ 1,038,463
Contributions receivable	50	23,577
Accounts receivable	25,612	75,218
Prepaid expenses and other current assets	<u>30,065</u>	<u>35,245</u>
Total current assets	878,120	1,172,503
<b>Non-Current Assets</b>		
Fixed assets, net	<u>4,390,183</u>	<u>4,432,210</u>
Total assets	<u>\$ 5,268,303</u>	<u>\$ 5,604,713</u>
<b>Liabilities and Net Assets</b>		
<b>Current Liabilities</b>		
Accounts payable and accrued expenses	<u>\$ 26,101</u>	<u>\$ 43,938</u>
Total current liabilities	<u>26,101</u>	<u>43,938</u>
<b>Net Assets</b>		
Net assets without donor restrictions	5,113,127	5,325,168
Net assets with donor restrictions	<u>129,075</u>	<u>235,607</u>
Total net assets	<u>5,242,202</u>	<u>5,560,775</u>
Total liabilities and net assets	<u>\$ 5,268,303</u>	<u>\$ 5,604,713</u>

See notes to financial statements

# The Orianne Society

## Statements of Activities and Changes in Net Assets Years Ended December 31, 2018 and 2017

	<u>2018</u>	<u>2017</u>
<b>Changes in Net Assets Without Donor Restrictions</b>		
Operating revenue		
Contributions	\$ 403,891	\$ 642,682
Governmental and other grants	342,318	293,814
Net assets released from donor restrictions	189,650	114,393
Other income	2,362	1,710
	<u>938,221</u>	<u>1,052,599</u>
<b>Operating Expenses</b>		
Programs	821,337	768,039
Support services	328,925	385,583
	<u>1,150,262</u>	<u>1,153,622</u>
Net operating loss	<u>(212,041)</u>	<u>(101,023)</u>
Changes in net assets without donor restrictions	<u>(212,041)</u>	<u>(101,023)</u>
<b>Changes in Net Assets With Donor Restrictions</b>		
Contributions	83,118	350,000
Net assets released from donor restrictions	<u>(189,650)</u>	<u>(114,393)</u>
Changes in net assets with donor restrictions	<u>(106,532)</u>	<u>235,607</u>
Changes in net assets	(318,573)	134,584
<b>Net Assets, Beginning of Year</b>	<u>5,560,775</u>	<u>5,426,191</u>
<b>Net Assets, End of Year</b>	<u>\$ 5,242,202</u>	<u>\$ 5,560,775</u>

See notes to financial statements

## The Orianne Society

### Statement of Functional Expenses

Year Ended December 31, 2018

	Programs				Support Services			Total Expenses
	Communications, Education and Other	Longleaf Savannas Initiative	Great Northern Forests Initiative	Total Program Services	Management and General	Fundraising	Total Support Services	
Salaries and benefits	\$ 56,163	\$ 291,689	\$ 109,125	\$ 456,977	\$ 57,752	\$ 132,630	\$ 190,382	\$ 647,359
Contracted staff	15,500	1,473	1,130	18,103	66,000	-	66,000	84,103
Supplies and equipment	9,972	83,073	8,472	101,517	1,424	3,363	4,787	106,304
Travel/lodging/meals	11,921	43,708	2,913	58,542	610	11,965	12,575	71,117
Occupancy	3,138	28,919	3,138	35,195	3,138	3,138	6,276	41,471
Technology/telephone	5,901	2,657	341	8,899	2,677	4,430	7,107	16,006
Professionals and consultants	1,950	64,313	573	66,836	23,000	-	23,000	89,836
Insurance	512	26,985	1,558	29,055	3,156	2,074	5,230	34,285
Depreciation	-	42,027	-	42,027	-	-	-	42,027
Other	1,342	2,392	452	4,186	5,721	7,847	13,568	17,754
<b>Total</b>	<b>\$ 106,399</b>	<b>\$ 587,236</b>	<b>\$ 127,702</b>	<b>\$ 821,337</b>	<b>\$ 163,478</b>	<b>\$ 165,447</b>	<b>\$ 328,925</b>	<b>\$ 1,150,262</b>

See notes to financial statements

## The Orianne Society

### Statement of Functional Expenses

Year Ended December 31, 2017

	Programs			Support Services			Total Expenses	
	Communications, Education and Other	Longleaf Savannas Initiative	Great Northern Forests Initiative	Total Program Services	Management and General	Fundraising		Total Support Services
Salaries and benefits	\$ 65,889	\$ 318,600	\$ 51,304	\$ 435,793	\$ 53,179	\$ 169,903	\$ 223,082	\$ 658,875
Contracted staff	-	6,958	42,055	49,013	80,916	-	80,916	129,929
Supplies and equipment	12,370	64,826	14,457	91,653	930	8,349	9,279	100,932
Travel/lodging/meals	4,834	35,270	5,996	46,100	2,694	13,893	16,587	62,687
Occupancy	3,172	31,848	3,174	38,194	3,172	3,172	6,344	44,538
Technology/telephone	6,180	2,455	603	9,238	4,647	3,347	7,994	17,232
Professionals and consultants	-	8,806	16,010	24,816	22,000	-	22,000	46,816
Insurance	1,172	26,230	713	28,115	3,953	1,846	5,799	33,914
Depreciation	-	43,164	-	43,164	-	-	-	43,164
Other	509	1,053	391	1,953	5,521	8,061	13,582	15,535
<b>Total</b>	<b>\$ 94,126</b>	<b>\$ 539,210</b>	<b>\$ 134,703</b>	<b>\$ 768,039</b>	<b>\$ 177,012</b>	<b>\$ 208,571</b>	<b>\$ 385,583</b>	<b>\$ 1,153,622</b>

See notes to financial statements

## The Orianne Society

### Statements of Cash Flows

Years Ended December 31, 2018 and 2017

	<u>2018</u>	<u>2017</u>
<b>Cash Flows from Operating Activities</b>		
Changes in net assets	\$ (318,573)	\$ 134,584
Adjustments to reconcile changes in net assets to net cash flows from operating activities:		
Depreciation	42,027	43,164
Changes in operating assets and liabilities:		
Contributions receivable	23,527	(22,237)
Accounts receivable	49,606	(47,768)
Prepaid expenses and other current assets	5,180	13,112
Accounts payable and accrued expenses	<u>(17,837)</u>	<u>(2,065)</u>
Total adjustments	<u>102,503</u>	<u>(15,794)</u>
Net cash flows from operating activities	(216,070)	118,790
<b>Cash and Cash Equivalents, Beginning of Year</b>	<u>1,038,463</u>	<u>919,673</u>
<b>Cash and Cash Equivalents, End of Year</b>	<u>\$ 822,393</u>	<u>\$ 1,038,463</u>

See notes to financial statements

# The Orianne Society

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Notes to Financial Statements

December 31, 2018 and 2017

## 1. Description of Organization and Summary of Significant Accounting Policies

The Orianne Society ("Orianne") is a not-for-profit wildlife conservation organization incorporated in the State of Delaware as a 501(c)(3) not-for-profit organization whose mission is the conservation of imperiled reptiles and amphibians and their habitats. Orianne identifies declining reptile and amphibian species that are representative of the ecosystems they inhabit. Orianne 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.

Following is a brief summary of the major conservation initiatives of Orianne:

### Longleaf Savannas Initiative

The primary focus of the Longleaf Savannas Initiative is within the longleaf pine ecosystem, one of the most biologically diverse 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 percent of the original range of longleaf pine remaining. In addition to having some of the highest biodiversity in North America, this ecosystem is home to many endangered species of plants and wildlife, including many reptiles and amphibians, such as the Eastern Indigo Snake and Gopher Tortoise. Orianne owns and manages the Orianne Preserve System ("OPS") (which consists of one of the ten most critical sand hill 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, Orianne 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.

### Great Northern Forests Initiative

The primary focus of our Great Northern Forests Initiative, which was started in 2017, is the conservation of species and habitats in the Boreal-Northern Hardwood forest from upstate New York east through the Gaspé Peninsula in Quebec. The region it is home to many rare species that have adapted to survive in the transitional zone between two ecoregions. Turtles are especially important components of this region that has three globally endangered species of freshwater turtles. Orianne has been actively involved in projects to inventory and monitor rare turtles, conserve timber rattlesnakes, and to work with landowners on habitat restoration projects.

### Communications, Education and Other

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 species such as, among others, Gopher Tortoises, Eastern Indigo Snakes, Wood Turtles, Timber Rattlesnakes and their related environments. As part of this process, we utilize various written, pictorial and electronic media to document the endangered and threatened species and other cohabitants in their environments. We utilize such data to communicate to the scientific, political, and other concerned individuals the current state and future needs for conservation efforts to save the endangered and threatened and imperiled species.

Involving the public in scientific and conservation projects is an important initiative for Orianne. It provides a direct link between our projects and citizens interested in conserving reptiles, amphibians and environments. It allows us to collect important data from a wider area than we would be able to simply using Orianne staff and, at the same time, enhance the conservation understanding of the participants. Orianne's Longleaf Savannas and Great Northern Forests Initiatives 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 Orianne. Our events provide an opportunity to show participants what we do on a day-to-day basis to survey and conserve these species, including land restoration. Our place-based events allow us to get out into the field with the participants to educate them and to collect valuable data.

# The Orianne Society

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Notes to Financial Statements

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We conduct specific projects on a smaller scale that, due to their size or location, have not been designated as a separate major program. Such projects are included as part of Communications, Education and Other.

## **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 net assets without donor restrictions and net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reflected in the statements of activities and changes in net assets as net assets released from donor restrictions.

## **Use of 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 include the caption net operating income (loss) which is deemed by Orianne to be its operating indicator. Transactions deemed by management to be ongoing, major or central to the programs and support services are reported as operating revenue and operating expenses and are included in 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.

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Notes to Financial Statements

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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 net assets without donor restrictions 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.

## **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 net assets with donor restrictions. When a donor restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the operating revenue section of the statements of activities and changes in net assets as net assets released from donor restrictions.

Orianne reports gifts of land, buildings, and equipment as without donor restriction support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as additions to net assets with donor restrictions. Expirations of donor restrictions are reported when the donated or acquired long-lived assets are placed in service.

## **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 net assets without donor restrictions or net assets with donor restrictions, 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 to Others**

When Orianne receives conditional promises to give they are not included as contributions by Orianne 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.

# The Orianne Society

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Notes to Financial Statements

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## 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.

## Fixed Assets

Fixed assets are carried at cost or fair 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. Orianne's capitalization policy is to capitalize all fixed asset purchases in excess of \$5,000. 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; and 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.

## 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 usage of fixed assets based on estimated time of usage. Management believes the allocation methods utilized are appropriate to properly reflect program and support expenses.

## Government Grants and Contracts

Orianne receives various government grants and pass-through contracts, and records revenue when earned. Advance payments received for grants and contracts which have not yet been earned are reflected as deferred revenue. Amounts earned but not yet paid under the grants and contracts are included in accounts receivable. Unrecorded amounts relating to government and contracts awarded as of December 31, 2018 and 2017 amounted to approximately \$118,000 and \$136,000, respectively.

# The Orianne Society

Notes to Financial Statements

December 31, 2018 and 2017

## New Accounting Standards

In 2018, Orianne adopted Financial Accounting Standards Board's Accounting Standards Update ("ASU") 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*. Orianne has applied the changes retrospectively to all periods presented. The following summarizes the applicable financial reporting items reflected in Orianne's financial statements as required by ASU 2016-14:

- The unrestricted net asset class has been renamed net assets without donor restrictions.
- The temporarily and permanently restricted net asset classes have been combined into a single net asset class called net assets with donor restrictions.
- The financial statements include a disclosure about liquidity and availability of resources (Note 3).
- The expenses are reported by both nature and function; as well as the disclosure of specific methodologies used to allocate costs among program and support functions.

## 2. Fair Value Measurement Fair Value Measurement

Orianne 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, 2018 and 2017. 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 transfers into or out of Level 1, Level 2, or Level 3 for the years ended December 31, 2018 and 2017.

As of December 31, 2018 and 2017, 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. Liquidity and Availability of Resources

The following table reflects Orianne's financial assets as of December 31, 2018 and 2017 reduced by net assets with donor restrictions which are not available for general expenditures within one year of the balance sheet date. Orianne defines general expenditures as expenses related to program and support services.

	<u>2018</u>	<u>2017</u>
Current assets, excluding non-financial assets	\$ 848,055	\$ 1,137,258
Less net assets with donor restrictions greater than one year	<u>(-)</u>	<u>(96,789)</u>
Total financial assets available to meet cash needs for general expenditures within one year	<u>\$ 848,055</u>	<u>\$ 1,040,469</u>

## The Orianne Society

Notes to Financial Statements  
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### 4. Fixed Assets, net

Fixed assets consist of the following:

	<u>2018</u>	<u>2017</u>
Land	\$ 4,012,100	\$ 4,012,100
Buildings	658,950	658,950
Furniture and fixtures	28,297	28,297
Equipment	449,409	449,409
	<u>5,148,756</u>	<u>5,148,756</u>
Less accumulated depreciation	<u>(758,573)</u>	<u>(716,546)</u>
Fixed assets, net	<u>\$ 4,390,183</u>	<u>\$ 4,432,210</u>

Depreciation expense was approximately \$42,000 and \$43,000 for the years ended December 31, 2018 and 2017, respectively.

### 5. Net Assets with Donor Restrictions

Net assets with donor restrictions as of December 31, 2018 and 2017 were comprised of contributions received that were restricted by the donors for specific purposes:

	<u>2018</u>	<u>2017</u>
Longleaf Savannas Initiative	\$ 32,286	\$ 47,141
Great Northern Forest Initiative	96,789	188,466
Total	<u>\$ 129,075</u>	<u>\$ 235,607</u>

Net assets released from donor restrictions for the years ended December 31, 2018 and 2017 were as follows:

	<u>2018</u>	<u>2017</u>
Longleaf Savannas Initiative	\$ 97,724	\$ 52,859
Great Northern Forest Initiative	91,926	61,534
Total	<u>\$ 189,650</u>	<u>\$ 114,393</u>

### 6. Related Party Transactions

During 2018 and 2017, approximately 31 percent and 50 percent, respectively, of contributions without donor restrictions was received from members of Orianne's Board of Directors.

# The Orianne Society

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Notes to Financial Statements

December 31, 2018 and 2017

## 7. Retirement Plan

The Orianne Society 401(k) Retirement Plan (the "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. Orianne matches employee elective contributions at a rate of 100 percent up to 3 percent of the employee's gross pay and 50 percent of the excess of compensation above 3 percent but not to exceed 5 percent of total compensation. Orianne's matching employee elective contributions vest immediately. Total pension expense for the years ended December 31, 2018 and 2017 aggregated approximately \$13,000 and \$14,000, respectively.

## 8. Commitments and Contingencies

### Office Leases

Orianne has a month-to-month lease for office space. Rent expense under the lease aggregated approximately \$11,000 for each of the years ended December 31, 2018 and 2017.

### 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.

### Gain Contingency

During 2014, Orianne entered into a Rental Lease Agreement ("Lease") with another not-for-profit entity. Under the terms of the Lease, rental payments to Orianne are \$1.00 per year and at the end of the Lease the other entity 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 the other entity. Accordingly, the underlying assets at inception of the Lease were treated in a manner similar to a donation for accounting purposes for which a 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 future value of the long-lived assets.

## 9. Subsequent Events

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 April 19, 2019.

No transactions or events subsequent to December 31, 2018 through April 19, 2019 were noted that require additional consideration or disclosure in the accompanying financial statements.