ORPHAN FOUNDATION OF AMERICA
D/B/A FOSTER CARE TO SUCCESS

FINANCIAL REPORT

DECEMBER 31, 2015 AND 2014

PBMares[SM]

ASSURANCE, TAX & ADVISORY SERVICES

ORPHAN FOUNDATION OF AMERICA
D/B/A FOSTER CARE TO SUCCESS

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INDEPENDENT AUDITOR'S REPORT

The Board of Directors
Orphan Foundation of America
d/b/a Foster Care to Success
Sterling, Virginia

Report on the Financial Statements

We have audited the accompanying financial statements of Orphan Foundation of America d/b/a Foster Care to Success (the Organization), which comprise the statements of financial position as of December 31, 2015 and 2014, and the related statements of activities, 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.

Auditor's 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 auditor's judgment, including the assessment of the risk 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 Organization'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 Organization'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 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 Organization as of December 31, 2015 and 2014, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplementary information, the schedule of expenditures of federal awards, as required by title 2 U.S. Code of Federal regulations (CFR) Part 200, Uniform Administrative Requirements, cost principles, and audit requirements for federal awards is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 20, 2016, on our consideration of the Organization's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control over financial reporting and compliance.

PB Mares, LLP

Fairfax, Virginia
June 20, 2016

FINANCIAL STATEMENTS

ORPHAN FOUNDATION OF AMERICA
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STATEMENTS OF FINANCIAL POSITION
December 31, 2015 and 2014

	2015	2014
ASSETS		
Current Assets		
Cash and cash equivalents	**$ 2,335,791**	$ 2,868,023
Pledges receivable, net	**411,499**	608,636
Grants receivable, net	**1,869,642**	1,025,068
Prepaid expenses	**3,649**	5,854
Total current assets	**4,620,581**	4,507,581
Property and Equipment		
Building and improvements	**763,824**	763,824
Furniture and fixtures	**129,035**	113,020
Less: accumulated depreciation	**(372,092)**	(340,653)
Property and equipment, net	**520,767**	536,191
Other Assets		
Investments	**1,695,340**	1,612,581
Total assets	**$ 6,836,688**	$ 6,656,353

See Notes to Financial Statements.

ORPHAN FOUNDATION OF AMERICA
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STATEMENTS OF FINANCIAL POSITION (Continued)
December 31, 2015 and 2014

		2015		2014
LIABILITIES AND NET ASSETS				
Current Liabilities				
Accounts payable and accrued expenses	$	219,739	$	186,731
Deferred revenue		-		26,667
Scholarships payable		315,915		13,755
Mortgage payable, current portion		30,212		27,414
Total current liabilities		565,866		254,567
Mortgage Payable, net of current portion		386,121		416,225
Net Assets				
Unrestricted		4,206,539		4,126,442
Temporarily restricted		1,678,162		1,859,119
Total net assets		5,884,701		5,985,561
Total liabilities and net assets	$	6,836,688	$	6,656,353

See Notes to Financial Statements.

ORPHAN FOUNDATION OF AMERICA
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STATEMENTS OF ACTIVITIES
Years Ended December 31, 2015 and 2014

	2015			2014		
		Temporarily			Temporarily	
	Unrestricted	**Restricted**	**Total**	Unrestricted	Restricted	Total
Support and Other Revenue						
Contributions	**$ 613,433**	**$ 990,493**	**$ 1,603,926**	$ 955,268	$ 907,963	$ 1,863,231
Donated services, materials, and facilities	**1,868,110**	**-**	**1,868,110**	1,826,100	-	1,826,100
Grant revenue	**9,370,026**	**-**	**9,370,026**	10,422,252	-	10,422,252
Interest, dividend, and investment income (loss)	**(51,791)**	**16,949**	**(34,842)**	85,810	40,525	126,335
Net assets released from restrictions	**1,188,399**	**(1,188,399)**	**-**	1,254,895	(1,254,895)	-
Total support and other revenue	**12,988,177**	**(180,957)**	**12,807,220**	14,544,325	(306,407)	14,237,918
Program Expenses						
Intern program	**713,320**	**-**	**713,320**	665,312	-	665,312
Care package program	**695,820**	**-**	**695,820**	616,921	-	616,921
Training and educational grants	**10,818,091**	**-**	**10,818,091**	12,082,696	-	12,082,696
Casey Scholar program	**565,755**	**-**	**565,755**	787,368	-	787,368
Total program expenses	**12,792,986**	**-**	**12,792,986**	14,152,297	-	14,152,297
Support Services						
General and administrative	**103,559**	**-**	**103,559**	115,351	-	115,351
Fundraising	**11,535**	**-**	**11,535**	12,815	-	12,815
Total support services	**115,094**	**-**	**115,094**	128,166	-	128,166
Total expenses	**12,908,080**	**-**	**12,908,080**	14,280,463	-	14,280,463
Change in net assets	**80,097**	**(180,957)**	**(100,860)**	263,862	(306,407)	(42,545)
Net Assets						
Beginning of year	**4,126,442**	**1,859,119**	**5,985,561**	3,862,580	2,165,526	6,028,106
End of year	**$ 4,206,539**	**$ 1,678,162**	**$ 5,884,701**	$ 4,126,442	$ 1,859,119	$ 5,985,561

ORPHAN FOUNDATION OF AMERICA
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STATEMENT OF FUNCTIONAL EXPENSES
Year Ended December 31, 2015

	Program Services					Support Services		
	Intern Program	Care Package Program	Training and Educational Services	Casey Scholar Program	Total Program Services	General and Administrative	Fundraising	Total
Expenses								
Salaries and payroll taxes	$ 98,745	$ -	$ 1,066,293	$ 133,949	$ 1,298,987	$ 56,950	$ 6,328	$ 1,362,265
Scholarship awards	-	-	8,536,578	371,775	8,908,353	-	-	8,908,353
In-kind donation	513,000	638,060	717,050	-	1,868,110			1,868,110
Insurance	1,169	-	12,617	1,585	15,371	1,139	127	16,637
Office	8,119	1,281	85,697	8,957	104,054	625	97	104,776
Postage and shipping	1,678	28,757	18,167	2,276	50,878	2,087	232	53,197
Printing and publications	18,822	-	16,869	2,119	37,810	1,523	169	39,502
Professional services	13,176	-	77,769	9,735	100,680	6,997	777	108,454
Occupancy	5,119	-	55,275	6,944	67,338	3,402	378	71,118
Information technology	15,321	-	165,448	20,784	201,553	14,939	1,660	218,152
Bank and investment charges	2,652	-	28,632	3,597	34,881	2,585	287	37,753
Program	33,256	27,722	13,261	965	75,204	-	-	75,204
Development and comm	-	-	-	-	-	11,808	1,312	13,120
Depreciation	2,263	-	24,435	3,069	29,767	1,504	168	31,439
	$ 713,320	$ 695,820	$ 10,818,091	$ 565,755	$ 12,792,986	$ 103,559	$ 11,535	$ 12,908,080

ORPHAN FOUNDATION OF AMERICA
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STATEMENT OF FUNCTIONAL EXPENSES
Year Ended December 31, 2014

	Program Services					Support Services		
	Intern Program	Care Package Program	Training and Educational Services	Casey Scholar Program	Total Program Services	General and Administrative	Fundraising	Total
Expenses								
Salaries and payroll taxes	$ 98,878	$ -	$ 1,240,877	$ 159,705	$ 1,499,460	$ 62,721	$ 6,969	$ 1,569,150
Scholarship awards	-	-	9,491,317	564,076	10,055,393	-	-	10,055,393
In-kind donation	448,000	541,880	836,220	-	1,826,100	-	-	1,826,100
Insurance	1,224	-	15,927	1,957	19,108	1,615	179	20,902
Office	9,485	181	99,494	10,715	119,875	9,236	1,026	130,137
Postage and shipping	773	49,262	9,794	1,199	61,028	1,083	120	62,231
Printing and publications	8,796	-	19,512	2,579	30,887	1,851	206	32,944
Professional services	33,960	-	76,308	10,221	120,489	7,861	873	129,223
Occupancy	4,019	-	50,898	6,509	61,426	5,062	562	67,050
Information technology	14,467	-	179,519	23,093	217,079	19,486	2,165	238,730
Bank and investment charges	1,711	-	21,191	2,693	25,595	2,853	317	28,765
Program expense	42,027	25,598	13,402	1,427	82,454	1,099	122	83,675
Development and comm	-	-	3,263	-	3,263	-	-	3,263
Depreciation	1,972	-	24,974	3,194	30,140	2,484	276	32,900
	$ 665,312	$ 616,921	$ 12,082,696	$ 787,368	$ 14,152,297	$ 115,351	$ 12,815	$ 14,280,463

See Notes to Financial Statements.

ORPHAN FOUNDATION OF AMERICA
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STATEMENTS OF CASH FLOWS
Years Ended December 31, 2015 and 2014

	2015	2014
Cash Flows From Operating Activities		
Change in net assets	**$ (100,860)**	$ (42,545)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	**31,439**	32,900
Unrealized loss on investments	**51,791**	62,221
Realized gain on investments	**(303)**	(97,067)
Changes in assets and liabilities:		
Pledges receivable	**197,137**	275,114
Grants receivable	**(844,574)**	384,455
Prepaid expenses	**2,205**	10,376
Accounts payable and accrued expenses	**6,341**	153,453
Scholarships payable	**302,160**	(258,607)
Net cash provided by (used in) operating activities	**(354,664)**	520,300
Cash Flows From Investing Activities		
Net sales (purchases) of investments	**(134,247)**	148,675
Purchase of property and equipment	**(16,015)**	(2,877)
Net cash provided by (used in) investing activities	**(150,262)**	145,798
Cash Flows From Financing Activities		
Principal paid on mortgage	**(27,306)**	(25,859)
Net cash used in financing activities	**(27,306)**	(25,859)
Net increase (decrease) in cash and equivalents	**(532,232)**	640,239
Cash and Cash Equivalents		
Beginning of year	**2,868,023**	2,227,784
End of year	**$ 2,335,791**	$ 2,868,023
Supplemental Disclosure of Cash Flow Information		
Cash paid for interest	**$ 28,260**	$ 29,706

ORPHAN FOUNDATION OF AMERICA
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NOTES TO FINANCIAL STATEMENTS

Note 1. Nature of Organization and Significant Accounting Policies

Nature of organization: The Orphan Foundation of America (the "Organization") is a nonprofit organization incorporated in the District of Columbia on October 28, 1981. The Organization operates under the name Foster Care to Success. The purpose of the Organization is to assist and support orphans and foster youth who have experienced trauma and face unique challenges transitioning to adulthood. The Organization provides counseling, program activities, and services otherwise unavailable to orphaned children. Additionally, the Organization provides direct financial assistance to orphans entering colleges and other institutions of higher learning.

Basis of accounting: The accompanying financial statements have been prepared on the accrual basis of accounting. Consequently, revenue is recognized when earned and expenses when the obligations are incurred.

Basis of presentation: The Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. The financial statements report amounts separately by class of asset, when applicable. Temporarily restricted amounts are those which are stipulated by donors or other funding sources for specific operating purposes. When a restriction expires or is otherwise satisfied, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities as net assets released from restrictions. Revenues restricted by the donor or other funding source are reported as increases in unrestricted net assets if the restriction expires or is otherwise satisfied in the year in which the revenue is recognized.

Estimates and assumptions: The preparation of financial statements in accordance 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 revenues and expenses, gains, and other support during the reporting period. Actual results could differ from those estimates.

Cash and cash equivalents: Cash and cash equivalents include cash on hand and in banks and short-term holdings in interest-bearing accounts subject to withdrawal on demand. For purposes of the statements of cash flows, the Organization considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents.

Pledges and grants receivable, net: Grants receivable are stated at amounts awarded less an allowance for uncollectible accounts.

Note 1. Nature of Organization and Significant Accounting Policies (Continued)

Pledges are recognized when a donor makes a promise to give to the Organization that is, in substance, unconditional. Unconditional pledges to give are reported at net realizable value, if at the time the promise is made, payment is expected to be received in one year or less. Unconditional promises that are expected to be collected in more than one year are reported at fair value initially and at net realizable value thereafter. Pledges that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire or are otherwise satisfied in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily restricted net assets depending on the nature of restrictions. Once a restriction expires or is otherwise satisfied, temporarily restricted net assets are reclassified to unrestricted net assets.

Provision for uncollectible pledges or grants receivable: Provisions for uncollectible pledges or grants are determined by management based on past collection experience and estimated collectability. As of December 31, 2015 and 2014, management has determined that no allowance for uncollectible pledges and grants receivable is necessary.

Student loans receivable, net: The Organization maintains a student loan program. Total student loan receivables as of December 31, 2015 and 2014 was $126,400. Management has established an allowance for the entire amount of the student loans receivable due to historic difficulties collecting the loan balances.

Property and equipment, net: Property and equipment acquired at cost in excess of $500 is capitalized. Donated assets are capitalized at fair market value at the time of donation. Depreciation of assets is calculated using the straight-line method over the estimated useful lives of the assets. Furniture and equipment are being depreciated over 3 to 5 years. Building and improvements are being depreciated over 15 to 30 years. Depreciation expense for the years ended December 31, 2015 and 2014 was $31,439 and $32,900, respectively.

Functional allocation of expenses: Indirect expenses are allocated to the various programs and supporting services based on the relative use by each program.

Investments: Investments, which are stated at market value, consist of bonds, mutual funds, exchange traded funds, and common stock. Fair values of securities are based on quoted market prices. If a quoted market price is not available, fair value is estimated. Realized and unrealized gains or losses are reflected in the statements of activities.

Investment income and gains restricted by donors are reported as an increase in unrestricted net assets if the restrictions are met (either a stipulated time period ends or a purpose restriction is accomplished) in the reporting period in which the income and gains are recognized.

Note 1. Nature of Organization and Significant Accounting Policies (Continued)

Donated services: Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization.

Donated assets: Donated marketable securities and other noncash donations are recorded as contributions at their fair values at the date of donation.

Income taxes: The Organization is exempt from Federal income tax under Section 501(c)(3) of the Internal Revenue Code. The Organization adopted the provisions of accounting for uncertainty in income tax positions as required by the *Income Taxes* Topic of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC); however, management does not believe it is exposed to any such positions as defined in this guidance, nor do they expect this to change significantly over the next 12 months. The Organization files Form 990, *Return of Organization Exempt From Income Tax*, annually with the United States Department of the Treasury. Such returns are subject to examination by taxing authorities, generally for a period of three years from the date the returns are filed. The Organization's policy is to classify income tax related interest and penalties in bank and investment charges.

Subsequent events: Subsequent events have been evaluated through June 20, 2016, which was the date the financial statements were available to be issued.

Note 2. Concentration Risk

The Organization receives a substantial amount of its support from state governments (pass-through of federal funds). A significant reduction in the level of this support, if this were to occur, may have a significant effect on its programs and activities.

The Organization maintains its cash and cash equivalents with financial institutions which, at times, exceed federally insured limits. In addition, the Organization maintains investments with investment companies which exceed Securities Investor Protection Corporation (SIPC) insured limits.

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NOTES TO FINANCIAL STATEMENTS

Note 3. Investments

Investments, at cost and estimated fair value, consist of the following:

		Cost		Market Value		Unrealized Appreciation (Depreciation)
December 31, 2015						
Mutual funds	**$**	**92,936**	**$**	**137,316**	**$**	**44,380**
Bonds		**509,958**		**511,608**		**1,650**
Exchange traded funds		**346,756**		**335,032**		**(11,724)**
Common stock		**588,868**		**711,384**		**122,516**
	$	**1,538,518**	**$**	**1,695,340**	**$**	**156,822**

		Cost		Market Value		Unrealized Appreciation (Depreciation)
December 31, 2014						
Mutual funds	$	72,419	$	113,157	$	40,738
Bonds		491,916		505,567		13,651
Exchange traded funds		238,549		252,805		14,256
Common stock		509,034		741,052		232,018
	$	1,311,918	$	1,612,581	$	300,663

Note 4. Fair Value Measurements

FASB ASC 820, *Fair Value Measurement*, establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.

Note 4. Fair Value Measurements (Continued)

Level 2 Inputs to the valuation methodology include:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability;
- inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used must maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2015 and 2014.

Common stock, bonds and exchange traded funds: Valued at the closing price reported on the active market on which the individual securities are traded. To the extent securities are actively traded and valuation adjustments are not applied, they are categorized in level 1 of the fair value hierarchy. To the extent securities are not actively traded and valuation adjustments are applied, they are categorized in level 2.

Mutual funds: Valued at the net asset value (NAV) of shares held by the Organization at year end.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Note 4. Fair Value Measurements (Continued)

The following table sets forth by level, within the fair value hierarchy, the Organization's assets at fair value as of December 31, 2015:

	Level 1	Level 2	Level 3	Total Assets at Fair Value
Mutual Funds				
Large growth	$ 116,194	$ -	$ -	$ 116,194
High yield	21,122	-	-	21,122
Total mutual funds	137,316	-	-	137,316
Bonds				
Intermediate agency	-	19,784	-	19,784
Intermediate corporate	-	221,382	-	221,382
Intermediate U.S. government	-	77,885	-	77,885
Short agency	-	70,233	-	70,233
Short corporate	-	122,324	-	122,324
Total bonds	-	511,608	-	511,608
Exchange Traded Funds				
Emerging markets bond	11,953	-	-	11,953
Europe stock	54,285	-	-	54,285
Financial	3,773	-	-	3,773
Foreign large blend	8,748	-	-	8,748
Foreign large value	3,732	-	-	3,732
Japan stock	2,708	-	-	2,708
Large blend	125,540	-	-	125,540
Large growth	9,061	-	-	9,061
Large value	20,540	-	-	20,540
Long government	9,186	-	-	9,186
Mid-cap blend	10,252	-	-	10,252
Miscellaneous region	1,414	-	-	1,414
Real estate	2,312	-	-	2,312
Short government	36,865	-	-	36,865
Small blend	7,598	-	-	7,598
Technology	6,267	-	-	6,267
Ultrashort bond	10,363	-	-	10,363
World bond	1,428	-	-	1,428
Corporate bond	9,007	-	-	9,007
Total exchange traded funds	335,032	-	-	335,032

Note 4. Fair Value Measurements (Continued)

	Level 1	Level 2	Level 3	Total Assets at Fair Value
Common Stock				
Basic materials	$ 62,649	$ -	$ -	$ 62,649
Consumer goods	67,496	-	-	67,496
Financial	122,019	-	-	122,019
Healthcare	165,185	-	-	165,185
Industrial goods	3,061	-	-	3,061
Large blend	7,702	-	-	7,702
Leisure	20,510	-	-	20,510
Services	117,767	-	-	117,767
Technology	144,995	-	-	144,995
Total common stock	711,384	-	-	711,384
Total investments	$ 1,183,732	$ 511,608	$ -	$ 1,695,340

The following table sets forth by level, within the fair value hierarchy, the Organization's assets at fair value as of December 31, 2014:

	Level 1	Level 2	Level 3	Total Assets at Fair Value
Mutual Funds				
Large growth	$ 91,805	$ -	$ -	$ 91,805
High yield	21,352	-	-	21,352
Total mutual funds	113,157	-	-	113,157
Bonds				
Intermediate agency	-	19,417	-	19,417
Intermediate corporate	-	200,348	-	200,348
Intermediate U.S. government	-	50,267	-	50,267
Short agency	-	70,103	-	70,103
Short corporate	-	165,432		165,432
Total bonds	-	505,567	-	505,567

Note 4. Fair Value Measurements (Continued)

	Level 1	Level 2	Level 3	Total Assets at Fair Value
Exchange Traded Funds				
Communication	$ 2,965	$ -	$ -	$ 2,965
Consumer cyclical	12,885	-	-	12,885
Consumer defensive	12,933	-	-	12,933
Diversified emerging markets	432	-	-	432
Europe stock	1,780	-	-	1,780
Financial	3,877	-	-	3,877
Health	27,734	-	-	27,734
Industrials	12,591	-	-	12,591
Japan stock	59,913	-	-	59,913
Large blend	39,607	-	-	39,607
Large value	14,402	-	-	14,402
Long government	8,185	-	-	8,185
Mid-cap blend	29,670	-	-	29,670
Miscellaneous region	7,456	-	-	7,456
Multicurrency	7,814	-	-	7,814
Natural resources	1,826	-	-	1,826
Technology	6,791	-	-	6,791
Utilities	1,944	-	-	1,944
Total exchange traded funds	252,805	-	-	252,805
Common Stock				
Basic materials	45,267	-	-	45,267
Consumer goods	88,400	-	-	88,400
Financial	146,889	-	-	146,889
Healthcare	91,923	-	-	91,923
Industrial goods	45,872	-	-	45,872
Large blend	7,679	-	-	7,679
Miscellaneous region	35,633	-	-	35,633
Services	161,269	-	-	161,269
Technology	118,120	-	-	118,120
Total common stock	741,052	-	-	741,052
Total investments	$ 1,107,014	$ 505,567	$ -	$ 1,612,581

Note 5. Tax Deferred Annuity Plan

The Organization sponsors a qualified 403(b) Tax Deferred Annuity Plan (Plan). All employees who are over age 21 and with three months of service are eligible to participate in the Plan. At the discretion of the Board of Directors, the Organization may make contributions to the Plan at a rate to be determined annually by the Organization. No such contributions were made during the years ended December 31, 2015 and 2014.

Note 6. Education and Training Voucher Program

The Organization contracts with various states to administer their Chafee Education and Training Vouchers (ETV) Program which provides assistance to qualified college students. Funds flow through the Organization to the ETV students from various states. During the years ended December 31, 2015 and 2014, the Organization contracted with Alabama, Arizona, Colorado, Maryland, Missouri, New York, North Carolina, and Ohio.

Note 7. Mortgage Payable

During December 2005, the Organization entered into a note payable with a financial institution to purchase an office condominium. The note was for $626,000 and calls for monthly principal and interest payments at a fixed rate of 6.4 percent per annum with monthly payments of $4,630. Interest expense was $28,260 and $29,706 for the years ended December 31, 2015 and 2014, respectively. This note matures, with a balloon payment, on December 14, 2020 and is secured by the property and equipment of the Organization.

Future maturities under this note as of December 31, 2015 are as follows:

Years Ending December 31,	Amount
2016	$ 30,212
2017	32,204
2018	34,326
2019	36,589
2020	283,002
	$ 416,333

Note 8. Temporarily Restricted Net Assets

Included in temporarily restricted net assets as of December 31, 2015 and 2014 are $1,678,162 and $1,859,119, respectively, relating to funds restricted by donors.

Temporarily restricted net assets consist of the following at December 31:

	2015	2014
Burtrez Morrow Student Loan Program	**$ 907,929**	$ 911,054
Casey Family Scholars	**770,233**	948,065
	$ 1,678,162	$ 1,859,119

Note 9. Contingency

The Organization has received proceeds from several federal and state grant programs. Audits of federal and state grant programs could result in questioned costs under the grant agreements. Such audits could result in the refund of grant monies to the grantor agencies. Management believes that any required refunds will be immaterial. Based upon past experience, no provision has been made in the accompanying financial statements for the refund of grant monies.

SUPPLEMENTARY INFORMATION

ORPHAN FOUNDATION OF AMERICA
D/B/A FOSTER CARE TO SUCCESS

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended December 31, 2015

Federal Granting Agency/Grant Program	Federal CFDA Number	Pass-through Entity Identifying Number	Passed Through to Subrecipients	Expenditures
U.S. Department of Health and Human Services:				
Pass - Through From States				
Chafee Education and Training Vouchers*				
Alabama	93.599	4147	$ -	$ 510,571
Arizona	93.599	3630-150510	-	1,289,700
Colorado	93.599	521238437	-	397,558
Maryland	93.599	SSA/OHPS-10-001	-	273,020
Missouri	93.599	C306033001	-	856,588
North Carolina	93.599	00121-09	-	709,263
New York	93.599	C025057	-	2,692,537
Ohio	93.599	G-89-06-1215	-	1,405,645
Total Expenditures of Federal Awards			$ -	$ 8,134,882

* Major Program

Note A - Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of Orphan Foundation of America d/b/a Foster Care to Success under programs of the federal government for the year ended December 31, 2015. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Orphan Foundation of America d/b/a Foster Care to Success, it is not intended to and does not present the financial position, changes in net assets or cash flows of Orphan Foundation of America d/b/a Foster Care to Success.

Note B - Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the cash basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. Orphan Foundation of America, d/b/a Foster Care to Success has elected not to use the 10-percente de minimis indirect cost rate as allowed under the Uniform Guidance.

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

The Board of Directors
Orphan Foundation of America
d/b/a Foster Care to Success
Sterling, Virginia

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Orphan Foundation of America d/b/a Foster Care to Success (a non-profit Organization), which comprise the statements of financial position as of December 31, 2015 , and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, which collectively comprise the Organization's financial statements and have issued our report thereon dated June 20, 2016.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Organization's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Organization's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization's financials statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of the financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing in internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

PB Mares, LLP

Fairfax, Virginia
June 20, 2016

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**INDEPENDENT AUDITOR'S REPORT ON
COMPLIANCE FOR EACH MAJOR PROGRAM
AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY THE UNIFORM GUIDANCE**

The Board of Directors
Orphan Foundation of America
d/b/a Foster Care to Success
Sterling, Virginia

Report on Compliance for Each Major Federal Program

We have audited Orphan Foundation of America d/b/a Foster Care to Success' compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Organization's major federal programs for the year ended December 31, 2015. The Organization's major federal program is identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Organization's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Organization's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Organization's compliance.

Opinion on Each Major Federal Program

In our opinion, the Organization complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2015.

Report on Internal Control Over Compliance

Management of the Organization is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Organization's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination or deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

PB Mares, LLP

Fairfax, Virginia
June 20, 2016

ORPHAN FOUNDATION OF AMERICA
D/B/A FOSTER CARE TO SUCCESS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended December 31, 2015

I. Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

Material weaknesses identified?	______ Yes	√ No
Significant deficiencies identified?	______ Yes	√ None Reported
Noncompliance material to financial statements noted?	______ Yes	√

Federal awards

Internal control over major programs:

Material weaknesses identified?	______ Yes	√ No
Significant deficiencies identified?	______ Yes	√ None Reported

Type of auditor's report issued on compliance for major program: Unmodified

Any audit findings disclosed that are required to be reported in accordance with section 2 CFR 200.516(a)	______ Yes	√ No

Identification of major program:

Chafee Education and Training Vouchers	CFDA #93.599

Dollar threshold used to distinguish between type A and type B programs		$750,000
Auditee qualified as low-risk auditee?	√ Yes	______ No

ORPHAN FOUNDATION OF AMERICA
D/B/A FOSTER CARE TO SUCCESS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS – (Continued)
Year Ended December 31, 2015

II. Financial Statement Findings

A. NONE.

III. Findings and Questioned Costs for Federal Awards

A. NONE.

ORPHAN FOUNDATION OF AMERICA
D/B/A FOSTER CARE TO SUCCESS

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
Year Ended December 31, 2015

The prior year single audit disclosed no findings in the Schedule of Findings and Questioned Costs and no uncorrected or unresolved findings exist from prior audit's Summary Schedule of Prior Audit Findings.