EMBRACE RELIEF FOUNDATION INC.
(A NON-PROFIT ORGANIZATION)

INDEPENDENT AUDITORS' REPORT
AND FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2014 AND 2013

EMBRACE RELIEF FOUNDATION INC.

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Embrace Relief Foundation Inc.
Carlstadt, New Jersey

Report on the Financial Statements

We have audited the accompanying financial statements of Embrace Relief Foundation Inc., which comprise the statements assets, liabilities, and net assets arising from cash transactions as of December 31, 2014 and 2013, and the related statements of activities for support and revenue collected and expenses paid 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 the cash basis of accounting described in Note 1; this includes determining that the cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for 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. Those standards require that we plan and perform the audit 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 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.

Auditor's Responsibility (Continued)

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 assets, liabilities, and net assets arising from cash transactions of Embrace Relief Foundation Inc. as of December 31, 2014 and 2013, and its support and revenue collected and expenses paid during the years then ended in accordance with the cash basis of accounting described in Note 1.

Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Barre & Company

Barre & Company
Certified Public Accountants

May 5, 2015

FINANCIAL STATEMENTS

EMBRACE RELIEF FOUNDATION INC.
STATEMENTS OF FINANCIAL POSITION
YEARS ENDED DECEMBER 31, 2014 AND 2013
CASH BASIS

	2014	2013
ASSETS		
Current Assets:		
Cash	$ 102,321	$ 101,963
Total Current Assets	102,321	101,963
Property and Equipment	7,714	5,515
Accumulated Depreciation	(7,714)	(5,515)
Total Property and Equipment - Net of Accumulated Depreciation	-	-
Total Assets	$ 102,321	$ 101,963
LIABILITIES AND NET ASSETS		
Current Liabilities:		
Other Current Liabilities:		
Relief Campaigns/Efforts:		
Payroll Liabilities	$ 1,827	$ 1,900
Total Current Liabilities	1,827	1,900
Net Assets:		
Unrestricted	100,494	100,063
Total Net Assets	100,494	100,063
Total Liabilities and Net Assets	$ 102,321	$ 101,963

The accompanying notes are an integral part of these financial statements.

EMBRACE RELIEF FOUNDATION INC.
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
YEARS ENDED DECEMBER 31, 2014 AND 2013
CASH BASIS

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total 2014	Unrestricted 2013
Revenues and Support:					
Contributions	875,198	$ 3,041	$ -	$ 878,239	216,934
Total Revenues and Support	875,198	3,041	-	878,239	216,934
Expenses:					
Program Expenses	742,189	-	-	742,189	185,307
Management and General Expenses	135,619			135,619	142,292
Total Expenses	877,808	-	-	877,808	327,599
Changes in Net Assets	(2,610)	3,041	-	431	(110,665)
Net Assets, Beginning of Year	100,063	-	-	100,063	210,728
Net Assets, End of Year	$ 97,453	$ 3,041	$ -	$ 100,494	$ 100,063

The accompanying notes are an integral part of these financial statements.

EMBRACE RELIEF FOUNDATION INC.
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2014 AND 2013
CASH BASIS

	2014	2013
Cash Flows From Operating Activities:		
Change in Net Assets	$ 431	$ (110,665)
Adjustments to reconcile the change in net assets to net cash provided by operations:		
Depreciation Expense	2,199	2,300
Increase (Decrease) in Liabilities:		
Payroll Liabilities	(73)	1,900
Net Cash Provided by Operating Activities	2,557	(106,465)
Cash Flows From Financing Activities:		
Purchases of Property and Equipment	(2,199)	(2,300)
Net Cash Provided by (Used by) Financing Activities	(2,199)	(2,300)
Net Increase (Decrease) in Cash	358	(108,765)
Cash, Beginning of Year	101,963	210,728
Cash, End of Year	$ 102,321	$ 101,963

The accompanying notes are an integral part of these financial statements.

EMBRACE RELIEF FOUNDATION INC.
STATEMENTS OF FUNCTIONAL EXPENSES
YEARS ENDED DECEMBER 31, 2014 AND 2013
CASH BASIS

	Unrestricted	Temporarily Restricted	2014	2013
PROGRAM EXPENSES:				
Program Event Expenses	$ 87,051	$ -	$ 87,051	$ -
Relief Program Expenses				180,982
Africa Water Well Relief		112,700	112,700	
Bosnia Flooding		40,000	40,000	
Cataract Relief		22,000	22,000	
Food Drive Relief		1,296	1,296	
Orphands Relief		14,900	14,900	
Philippines Relief		54,612	54,612	
Ramadan Activities		10,910	10,910	
School Supplies		8,345	8,345	
Soma Mining		135,489	135,489	
Syrian Refugees Relief		121,080	121,080	
Blanket Drive		130,000	130,000	
Gifts and Donations	3,000		3,000	4,325
Program Related Contracts	806		806	
Total Program Services	90,857	651,332	742,189	185,307
MANAGEMENT AND GENERAL EXPENSES:				
Professional Fees	5,798	-	5,798	5,727
Insurance	594		594	1,349
Office Expenses	19,664		19,664	26,505
Depreciation Expense	2,199		2,199	2,300
Equipment Rental and Maintenance	684		684	319
Printing and Copying	1,114		1,114	6,742
Books, Subscriptions, References	-		-	982
Advertising	230		230	9,550
Rent	15,000		15,000	12,000
Salaries	77,600		77,600	52,500
Payroll Taxes	8,677		8,677	6,064
Travel	4,059		4,059	18,254
Total Management and General Expenses	135,619	-	135,619	142,292
TOTAL EXPENSES	$ 226,476	$ 651,332	$ 877,808	$ 327,599

The accompanying notes are an integral part of these financial statements.

NOTE 1: ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES

Nature of Activities

The Embrace Relief Foundation Inc. is located at 545 Interstate Place, Carlstadt, New Jersey. It is a non-profit organization that brings together teams of volunteers to collaborate on local aid and disaster relief efforts. These teams provide an array of support, offering to assist financially, emotionally and physically with the needs of families and communities ravaged by disaster. The foundation collects, delivers and distributes supplies and resources to families, individuals and institutions. Their primary support comes from contributions.

Basis of Accounting

Embrace Relief Foundation Inc. utilizes the cash-basis of accounting and the accompanying statements have been prepared on that basis. The cash-basis differs from generally accepted accounting principles primarily because revenues are recognized when received rather than when earned and expenses are recognized when paid rather than when the obligation is incurred.

Basis of Presentation

The financial statements are presented in accordance with FASB ASC 958, Not-For-Profit Entities. Under FASB ASC 958, 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.

Also in accordance with FASB ASC 958, support that is restricted by a donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in temporarily or permanently restricted net assets depending on the nature of the restriction. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial

NOTE 1: NATURE OF ORGANIZATION AND SIGNIFICANT ACCOUNTING PRINCIPLES (CONTINUED)

Use of Estimates (Continued)

statements and the reported amounts of revenues and expenses, including functional allocations during the reporting period. Actual results could differ from those estimates. Management bases its estimates on historical experiences and on various other assumptions that are believed to be reasonable under the circumstances in making judgments about the carrying value of assets and liabilities that are not readily apparent from other sources. While actual results could differ from those estimates, management believes that the estimates are reasonable.

Donated Services

During the year ended December 31, 2014, many volunteered their time and performed a variety of tasks that assisted Embrace Relief Foundation Inc. The value of contributed services meeting the requirements of recognition in the financial statements was not material and has not been recorded.

Cash and Cash Equivalents

For the purposes of the statements of cash flows, Embrace Relief Foundation Inc. considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

Program Expense Allocation

Approximately 80% of company expenditures go for direct program use.

Income Taxes

Embrace Relief Foundation Inc. is a not-for-profit organization exempt from federal income taxes under Internal Revenue Code Section 501(c)(3). Accordingly, no provision for federal income taxes has been made.

The Organization’s tax year 2012, 2013 and 2014 are still open to examinations by the Internal Revenue Service.

NOTE 1: NATURE OF ORGANIZATION AND SIGNIFICANT ACCOUNTING PRINCIPLES (CONTINUED)

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the Statement of Activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

NOTE 2: FAIR VALUE MEASUREMENTS

The organization uses fair value measurements to record fair adjustments to certain assets and liabilities and to determine fair value disclosures of investments in debt and equity securities that are classified as available for sale.

The Fair Value Measurements Topic 820 of the FASB Accounting Standards Codification (FASB ASC 820) defines fair value, establishes a consistent framework for measuring fair value and expands disclosure requirements for fair value measurement. The disclosures required under this Topic have been included in this note.

Fair Value Hierarchy

FASB ASC 820 establishes 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 measurements involving significant unobservable inputs (Level 3 measurements).

The three levels of the fair value hierarchy are as follows:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Organization has the ability to access at the measurement date.

Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 inputs are observable inputs for the asset or liability.

NOTE 2: FAIR VALUE MEASUREMENTS (CONTINUED)

Determination of Fair Value

Under FASB ASC 820, the Organization bases its fair value on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. It is the Organization's policy to maximize the use of observable inputs and minimize the use of unobservable inputs when developing fair value measurements, in accordance with the fair value hierarchy. Fair value measurements for assets and liabilities where these exists limited or no observable market date and, therefore, are based primarily upon management's own estimates, are often calculated based on current pricing policy, the economic and competitive environment, the characteristics of the asset or liability and other such factors. Therefore, the results cannot be determined with precision and may not be realized in an actual sale or immediate settlement of the asset or liability.

Additionally, there may be inherent weakness in any calculation techniques, and changes in the underlying assumptions used, including discount rates and estimates of future cash flows, that could significantly affect the results of current future value.

Following is a description of valuation methodologies use for assets and liabilities recorded at fair value. Methodologies have been consistently applied.

Cash and cash equivalents, accounts receivable, prepaid expenses, accounts payable and accrued liabilities, approximate fair value due to their short maturities.

The table below presents the amounts of assets and liabilities measured at fair value on a recurring basis as of December 31, 2014:

	2014	
	Carrying Amount	Fair Value
Financial Assets:		
Cash and Cash Equivalents	$ 102,321	$ 102,321

NOTE 3: CONCENTRATION OF CREDIT RISK

Financial instruments which potentially subject the Organization to concentration of credit risk consist of cash and cash equivalents. At various times throughout the year, the Organization has balances in excess of FDIC insurance coverage of $250,000. Embrace Relief Foundation Inc. places all funds with high credit quality financial institutions to limit the credit risk.

NOTE 4: PROPERTY AND EQUIPMENT

In 2014, the Organization purchased office equipment. As of December 31, 2014, the equipment was valued at:

	2014	2013
Furniture, Fixtures & Equipment	$ 7,714	$ 5,515
Less: Accumulated Depreciation	(7,714)	(5,515)
Total	$ -	$ -

NOTE 5: SUBSEQUENT EVENTS

Subsequent events have been evaluated through May 18, 2015, which is the date the financial statements were issued. No subsequent events were identified that required adjustment to or disclosure within the financial statements.