Form **990**

Department of the Treasury
Internal Revenue Service

Return of Organization Exempt From Income Tax

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)

▶ The organization may have to use a copy of this return to satisfy state reporting requirements.

OMB No 1545-0047

2009

Open to Public Inspection

A For the 2009 calendar year, or tax year beginning and ending

B Check if applicable: Address change; Name change; Initial return; Terminated; Amended return; Application pending

Please use IRS label or print or type. See Specific Instructions

C Name of organization: EMBRACE KIDS FOUNDATION

Doing Business As

Number and street (or P O box if mail is not delivered to street address): 121 SOMERSET STREET | Room/suite

City or town, state or country, and ZIP + 4: NEW BRUNSWICK, NJ 08901

D Employer identification number: 22-3092432

E Telephone number: 732-247-5300

G Gross receipts $ 1636461.

F Name and address of principal officer: ROBERT A. BROWN

H(a) Is this a group return for affiliates? [ ] Yes [X] No

H(b) Are all affiliates included? [ ] Yes [ ] No

If "No," attach a list. (see instructions)

I Tax-exempt status: [X] 501(c) (3) ◀ (insert no.) [ ] 4947(a)(1) or [ ] 527

J Website: ▶ www.embracekids.org

H(c) Group exemption number ▶

K Form of organization [X] Corporation [ ] Trust [ ] Association [ ] Other ▶

L Year of formation 1991 **M** State of legal domicile NJ

Part I Summary

Activities & Governance

1 Briefly describe the organization's mission or most significant activities: To provide program and financial support to the Pediatric Hematology-Oncology at UMDNJ-RWJMS.

2 Check this box ▶ [ ] if the organization discontinued its operations or disposed of more than 25% of its net assets.

3	Number of voting members of the governing body (Part VI, line 1a)	3	24
4	Number of independent voting members of the governing body (Part VI, line 1b)	4	24
5	Total number of employees (Part V, line 2a)	5	7
6	Total number of volunteers (estimate if necessary)	6	0
7a	Total gross unrelated business revenue from Part VIII, column (C), line 12	7a	0.
b	Net unrelated business taxable income from Form 990-T, line 34	7b	0.

		Prior Year	Current Year
Revenue			
8	Contributions and grants (Part VIII, line 1h)	626981.	554107.
9	Program service revenue (Part VIII, line 2g)		
10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	-60229.	20487.
11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	447294.	549939.
12	Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)	1014046.	1124533.
Expenses			
13	Grants and similar amounts paid (Part IX, column (A), lines 1-3)		
14	Benefits paid to or for members (Part IX, column (A), line 4)		
15	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)	489607.	379193.
16a	Professional fundraising fees (Part IX, column (A), line 11e)		
b	Total fundraising expenses (Part IX, column (D), line 25) ▶ 143397.		
17	Other expenses (Part IX, column (A), lines 11a-11d, 11f-24f)	792163.	754478.
18	Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25)	1281770.	1133671.
19	Revenue less expenses. Subtract line 18 from line 12	-267724.	-9138.
Net Assets or Fund Balances		**Beginning of Current Year**	**End of Year**
20	Total assets (Part X, line 16)	1396068.	1499515.
21	Total liabilities (Part X, line 26)	216791.	224800.
22	Net assets or fund balances. Subtract line 21 from line 20	1179277.	1274715.

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Part II Signature Block

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge

Sign Here

▶ Signature of officer — Date 8/10/11

▶ ROBERT A. BROWN, BOARD CHAIRMAN
Type or print name and title

Paid Preparer's Use Only

Preparer's signature ▶ | Date 8/4/10 | Check if self-employed ▶ [ ] | Preparer's identifying number (see instructions) P00613273

Firm's name (or yours if self-employed), address, and ZIP + 4 ▶ CUST, DORI & BENICK, CPA, PA
5 BARTLES CORNER ROAD
FLEMINGTON, NJ 08822

EIN ▶ 22-2354112

Phone no ▶ 908-782-7300

May the IRS discuss this return with the preparer shown above? (see instructions) [X] Yes [ ] No

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Part III | Statement of Program Service Accomplishments

1 Briefly describe the organization's mission:
To enhance the quality of life and care of children with cancer by providing support to UMDNJ-RWJUH, New Brunswick, NJ.

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? ☐ Yes ☒ No
If "Yes," describe these new services on Schedule O.

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? ☐ Yes ☒ No
If "Yes," describe these changes on Schedule O.

4 Describe the exempt purpose achievements for each of the organization's three largest program services by expenses. Section 501(c)(3) and 501(c)(4) organizations and section 4947(a)(1) trusts are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported.

4a (Code:) (Expenses $ 919509. including grants of $) (Revenue $)
To provide program and financial support to the Division of Pediatric Hematology-Oncology at UMDNJ-RMJMS, New Brunswick, NJ and to fund treatment services for children with cancer and other blood disorders.

4b (Code:) (Expenses $ including grants of $) (Revenue $)

4c (Code.) (Expenses $ including grants of $) (Revenue $)

4d Other program services. (Describe in Schedule O.)
(Expenses $ including grants of $) (Revenue $)

4e **Total program service expenses** ▶ $ 919509.

Part IV Checklist of Required Schedules

		Line	Yes	No
1	Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? *If "Yes," complete Schedule A*	1	X	
2	Is the organization required to complete Schedule B, Schedule of Contributors?	2	X	
3	Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? *If "Yes," complete Schedule C, Part I*	3		X
4	**Section 501(c)(3) organizations.** Did the organization engage in lobbying activities? *If "Yes," complete Schedule C, Part II*	4		X
5	**Section 501(c)(4), 501(c)(5), and 501(c)(6) organizations.** Is the organization subject to the section 6033(e) notice and reporting requirement and proxy tax? *If "Yes," complete Schedule C, Part III*	5		
6	Did the organization maintain any donor advised funds or any similar funds or accounts where donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? *If "Yes," complete Schedule D, Part I*	6		X
7	Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? *If "Yes," complete Schedule D, Part II*	7		X
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? *If "Yes," complete Schedule D, Part III*	8		X
9	Did the organization report an amount in Part X, line 21; serve as a custodian for amounts not listed in Part X; or provide credit counseling, debt management, credit repair, or debt negotiation services? *If "Yes," complete Schedule D, Part IV*	9		X
10	Did the organization, directly or through a related organization, hold assets in term, permanent, or quasi-endowments? *If "Yes," complete Schedule D, Part V*	10		X
11	Is the organization's answer to any of the following questions "Yes"? *If so, complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable*	11	X	
	• Did the organization report an amount for land, buildings, and equipment in Part X, line 10? *If "Yes," complete Schedule D, Part VI.*			
	• Did the organization report an amount for investments - other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part VII*			
	• Did the organization report an amount for investments - program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part VIII.*			
	• Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part IX*			
	• Did the organization report an amount for other liabilities in Part X, line 25? *If "Yes," complete Schedule D, Part X.*			
	• Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48? *If "Yes," complete Schedule D, Part X.*			
12	Did the organization obtain separate, independent audited financial statements for the tax year? *If "Yes," complete Schedule D, Parts XI, XII, and XIII*	12	X	
12A	Was the organization included in consolidated, independent audited financial statements for the tax year? *If "Yes," completing Schedule D, Parts XI, XII, and XIII is optional* — 12A Yes: ; No: X			
13	Is the organization a school described in section 170(b)(1)(A)(ii)? *If "Yes," complete Schedule E*	13		X
14a	Did the organization maintain an office, employees, or agents outside of the United States?	14a		X
b	Did the organization have aggregate revenues or expenses of more than $10,000 from grantmaking, fundraising, business, and program service activities outside the United States? *If "Yes," complete Schedule F, Part I*	14b		X
15	Did the organization report on Part IX, column (A), line 3, more than $5,000 of grants or assistance to any organization or entity located outside the United States? *If "Yes," complete Schedule F, Part II*	15		X
16	Did the organization report on Part IX, column (A), line 3, more than $5,000 of aggregate grants or assistance to individuals located outside the United States? *If "Yes," complete Schedule F, Part III*	16		X
17	Did the organization report a total of more than $15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? *If "Yes," complete Schedule G, Part I*	17	X	
18	Did the organization report more than $15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? *If "Yes," complete Schedule G, Part II*	18	X	
19	Did the organization report more than $15,000 of gross income from gaming activities on Part VIII, line 9a? *If "Yes," complete Schedule G, Part III*	19	X	
20	Did the organization operate one or more hospitals? *If "Yes," complete Schedule H*	20		X

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Part IV Checklist of Required Schedules *(continued)*

			Yes	No
21	Did the organization report more than $5,000 of grants and other assistance to governments and organizations in the United States on Part IX, column (A), line 1? *If "Yes," complete Schedule I, Parts I and II*	21		X
22	Did the organization report more than $5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? *If "Yes," complete Schedule I, Parts I and III*	22		X
23	Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? *If "Yes," complete Schedule J*	23		X
24a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than $100,000 as of the last day of the year, that was issued after December 31, 2002? *If "Yes," answer lines 24b through 24d and complete Schedule K. If "No", go to line 25*	24a		X
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	24b		
c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?	24c		
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	24d		
25a	**Section 501(c)(3) and 501(c)(4) organizations.** Did the organization engage in an excess benefit transaction with a disqualified person during the year? *If "Yes," complete Schedule L, Part I*	25a		X
b	Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? *If "Yes," complete Schedule L, Part I*	25b		X
26	Was a loan to or by a current or former officer, director, trustee, key employee, highly compensated employee, or disqualified person outstanding as of the end of the organization's tax year? *If "Yes," complete Schedule L, Part II*	26		X
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor, or a grant selection committee member, or to a person related to such an individual? *If "Yes," complete Schedule L, Part III*	27		X
28	Was the organization a party to a business transaction with one of the following parties, (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions):			
a	A current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	28a		X
b	A family member of a current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	28b		X
c	An entity of which a current or former officer, director, trustee, or key employee of the organization (or a family member) was an officer, director, trustee, or direct or indirect owner? *If "Yes," complete Schedule L, Part IV*	28c		X
29	Did the organization receive more than $25,000 in non-cash contributions? *If "Yes," complete Schedule M*	29		X
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? *If "Yes," complete Schedule M*	30		X
31	Did the organization liquidate, terminate, or dissolve and cease operations? *If "Yes," complete Schedule N, Part I*	31		X
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? *If "Yes," complete Schedule N, Part II*	32		X
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301 7701-2 and 301.7701-3? *If "Yes," complete Schedule R, Part I*	33		X
34	Was the organization related to any tax-exempt or taxable entity? *If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1*	34		X
35	Is any related organization a controlled entity within the meaning of section 512(b)(13)? *If "Yes," complete Schedule R, Part V, line 2*	35		X
36	**Section 501(c)(3) organizations.** Did the organization make any transfers to an exempt non-charitable related organization? *If "Yes," complete Schedule R, Part V, line 2*	36		X
37	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? *If "Yes," complete Schedule R, Part VI*	37		X
38	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11 and 19? **Note.** All Form 990 filers are required to complete Schedule O.	38	X	

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Part V Statements Regarding Other IRS Filings and Tax Compliance

					Yes	No
1a	Enter the number reported in Box 3 of Form 1096, Annual Summary and Transmittal of U S. Information Returns. Enter -0- if not applicable	1a	0			
b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable	1b	0			
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?			1c	X	
2a	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return	2a	7			
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns?			2b	X	
	Note. If the sum of lines 1a and 2a is greater than 250, you may be required to *e-file* this return. (see instructions)					
3a	Did the organization have unrelated business gross income of $1,000 or more during the year covered by this return?			3a		X
b	If "Yes," has it filed a Form 990-T for this year? *If "No," provide an explanation in Schedule O*			3b		
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?			4a		X
b	If "Yes," enter the name of the foreign country ▶ ______ See the instructions for exceptions and filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.					
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?			5a		X
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?			5b		X
c	If "Yes," to line 5a or 5b, did the organization file Form 8886-T, Disclosure by Tax-Exempt Entity Regarding Prohibited Tax Shelter Transaction?			5c		
6a	Does the organization have annual gross receipts that are normally greater than $100,000, and did the organization solicit any contributions that were not tax deductible?			6a		X
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?			6b		
7	**Organizations that may receive deductible contributions under section 170(c).**					
a	Did the organization receive a payment in excess of $75 made partly as a contribution and partly for goods and services provided to the payor?			7a		X
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?			7b		
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?			7c		X
d	If "Yes," indicate the number of Forms 8282 filed during the year	7d				
e	Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?			7e		X
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?			7f		X
g	For all contributions of qualified intellectual property, did the organization file Form 8899 as required?			7g		X
h	For contributions of cars, boats, airplanes, and other vehicles, did the organization file a Form 1098-C as required?			7h		X
8	**Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations.** Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?			8		X
9	**Sponsoring organizations maintaining donor advised funds.**					
a	Did the organization make any taxable distributions under section 4966?			9a		X
b	Did the organization make a distribution to a donor, donor advisor, or related person?			9b		X
10	**Section 501(c)(7) organizations.** Enter:					
a	Initiation fees and capital contributions included on Part VIII, line 12	10a				
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	10b				
11	**Section 501(c)(12) organizations.** Enter:					
a	Gross income from members or shareholders	11a				
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)	11b				
12a	**Section 4947(a)(1) non-exempt charitable trusts.** Is the organization filing Form 990 in lieu of Form 1041?			12a		
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year	12b				

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Part VI Governance, Management, and Disclosure *For each "Yes" response to lines 2 through 7b below, and for a "No" response to line 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O See instructions.*

Section A. Governing Body and Management

				Yes	No
1a	Enter the number of voting members of the governing body	1a 24			
b	Enter the number of voting members that are independent	1b 24			
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?		2		X
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person?		3		X
4	Did the organization make any significant changes to its organizational documents since the prior Form 990 was filed?		4		X
5	Did the organization become aware during the year of a material diversion of the organization's assets?		5		X
6	Does the organization have members or stockholders?		6		X
7a	Does the organization have members, stockholders, or other persons who may elect one or more members of the governing body?		7a		X
b	Are any decisions of the governing body subject to approval by members, stockholders, or other persons?		7b		X
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:				
a	The governing body?		8a	X	
b	Each committee with authority to act on behalf of the governing body?		8b	X	
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? *If "Yes," provide the names and addresses in Schedule O*		9		X

Section B. Policies *(This Section B requests information about policies not required by the Internal Revenue Code)*

			Yes	No
10a	Does the organization have local chapters, branches, or affiliates?	10a		X
b	If "Yes," does the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with those of the organization?	10b		
11	Has the organization provided a copy of this Form 990 to all members of its governing body before filing the form?	11	X	
11A	Describe in Schedule O the process, if any, used by the organization to review this Form 990.			
12a	Does the organization have a written conflict of interest policy? *If "No," go to line 13*	12a	X	
b	Are officers, directors or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	12b	X	
c	Does the organization regularly and consistently monitor and enforce compliance with the policy? *If "Yes," describe in Schedule O how this is done*	12c		X
13	Does the organization have a written whistleblower policy?	13	X	
14	Does the organization have a written document retention and destruction policy?	14		X
15	Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?			
a	The organization's CEO, Executive Director, or top management official	15a		X
b	Other officers or key employees of the organization	15b		X
	If "Yes" to line 15a or 15b, describe the process in Schedule O. (See instructions.)			
16a	Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?	16a		X
b	If "Yes," has the organization adopted a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and taken steps to safeguard the organization's exempt status with respect to such arrangements?	16b		

Section C. Disclosure

17 List the states with which a copy of this Form 990 is required to be filed ▶NJ,PA

18 Section 6104 requires an organization to make its Forms 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection. Indicate how you make these available. Check all that apply.

[X] Own website [ ] Another's website [X] Upon request

19 Describe in Schedule O whether (and if so, how), the organization makes its governing documents, conflict of interest policy, and financial statements available to the public

20 State the name, physical address, and telephone number of the person who possesses the books and records of the organization: ▶

GLENN JENKINS - 732-247-5300

121 SOMERSET STREET, NEW BRUNSWICK, NJ 08901

Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

1a Complete this table for all persons required to be listed. Report compensation for the calendar year ending with or within the organization's tax year. Use Schedule J-2 if additional space is needed.

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation. Enter -0- in columns (D), (E), and (F) if no compensation was paid.
- List all of the organization's **current** key employees. See instructions for definition of "key employee."
- List the organization's five **current** highest compensated employees (other than an officer, director, trustee, or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than $100,000 from the organization and any related organizations.
- List all of the organization's **former** officers, key employees, and highest compensated employees who received more than $100,000 of reportable compensation from the organization and any related organizations.
- List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than $10,000 of reportable compensation from the organization and any related organizations.

List persons in the following order: individual trustees or directors; institutional trustees; officers; key employees; highest compensated employees; and former such persons.

☐ Check this box if the organization did not compensate any current officer, director, or trustee.

(A) Name and Title	(B) Average hours per week	(C) Position: Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former	(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
ROBERT A. BROWN BOARD CHAIRMAN	2.00	X		X				0.	0.	0.
DANIEL M. DIDOMENICO PRESIDENT/BOARD MEMBER	2.00	X		X				0.	0.	0.
TIMOTHY X. GIBSON, ESQ VICE PRESIDENT/BOARD MEM	2.00	X		X				0.	0.	0.
JOHN H. MEHRLANDER TREASURER/BOARD MEMBER	2.00	X		X				0.	0.	0.
BARBARA CRISCITO, CPA BOARD MEMBER	2.00	X						0.	0.	0.
ROBERT J. DILEO BOARD MEMBER	2.00	X						0.	0.	0.
KRIS EMERSON BOARD MEMBER	2.00	X						0.	0.	0.
ANDY FINGERHUT, CPA BOARD MEMBER	2.00	X						0.	0.	0.
JOHN INGATO BOARD MEMBER	2.00	X						0.	0.	0.
KIM JOHNSON BOARD MEMBER	2.00	X						0.	0.	0.
JERRY KAULIUS BOARD MEMBER	2.00	X						0.	0.	0.
JOHN MORTENSON, CPA BOARD MEMBER	2.00	X						0.	0.	0.
ART SCHWARTZ BOARD MEMBER	2.00	X						0.	0.	0.
TK SHAMY, ESQ BOARD MEMBER	2.00	X						0.	0.	0.
JOSEPH SHERIDAN BOARD MEMBER	2.00	X						0.	0.	0.
MATT WOLKOFSKY BOARD MEMBER	2.00	X						0.	0.	0.
GLENN JENKINS EXECUTIVE DIRECTOR	50.00	X						111366.	0.	0.

Part VII Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees *(continued)*

(A) Name and title	(B) Average hours per week	(C) Position (check all that apply): Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former	(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
1b Total ▶								111366.	0.	0.

2 Total number of individuals (including but not limited to those listed above) who received more than $100,000 in reportable compensation from the organization ▶ 1

		Yes	No
3 Did the organization list any **former** officer, director or trustee, key employee, or highest compensated employee on line 1a? *If "Yes," complete Schedule J for such individual*	3		X
4 For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than $150,000? *If "Yes," complete Schedule J for such individual*	4		X
5 Did any person listed on line 1a receive or accrue compensation from any unrelated organization for services rendered to the organization? *If "Yes," complete Schedule J for such person*	5		X

Section B. Independent Contractors

1 Complete this table for your five highest compensated independent contractors that received more than $100,000 of compensation from the organization. NONE

(A) Name and business address	(B) Description of services	(C) Compensation

2 Total number of independent contractors (including but not limited to those listed above) who received more than $100,000 in compensation from the organization ▶ 0

Form **990** (2009)

932008 02-04-10

Part VIII Statement of Revenue

			(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514
Contributions, gifts, grants and other similar amounts	1 a Federated campaigns	1a 12249.				
	b Membership dues	1b				
	c Fundraising events	1c 173471.				
	d Related organizations	1d				
	e Government grants (contributions)	1e				
	f All other contributions, gifts, grants, and similar amounts not included above	1f 368387.				
	g Noncash contributions included in lines 1a-1f $					
	h **Total.** Add lines 1a-1f ▶		554107.			
Program Service Revenue		Business Code				
	2 a					
	b					
	c					
	d					
	e					
	f All other program service revenue					
	g **Total.** Add lines 2a-2f ▶					
Other Revenue	3 Investment income (including dividends, interest, and other similar amounts) ▶		10955.			10955.
	4 Income from investment of tax-exempt bond proceeds ▶					
	5 Royalties ▶					
		(i) Real / (ii) Personal				
	6 a Gross Rents					
	b Less: rental expenses					
	c Rental income or (loss)					
	d Net rental income or (loss) ▶					
	7 a Gross amount from sales of assets other than inventory	(i) Securities 207973. / (ii) Other				
	b Less: cost or other basis and sales expenses	198441.				
	c Gain or (loss)	9532.				
	d Net gain or (loss) ▶		9532.	9532.		
	8 a Gross income from fundraising events (not including $ 173471. of contributions reported on line 1c). See Part IV, line 18	a 818918.				
	b Less: direct expenses	b 313487.				
	c Net income or (loss) from fundraising events ▶		505431.	505431.		
	9 a Gross income from gaming activities See Part IV, line 19	a				
	b Less: direct expenses	b				
	c Net income or (loss) from gaming activities ▶					
	10 a Gross sales of inventory, less returns and allowances	a				
	b Less: cost of goods sold	b				
	c Net income or (loss) from sales of inventory ▶					
	Miscellaneous Revenue	Business Code				
	11 a School System Reimburs		44508.	44508.		
	b					
	c					
	d All other revenue					
	e **Total.** Add lines 11a-11d ▶		44508.			
	12 **Total revenue** See instructions ▶		1124533.	559471.	0.	10955.

Part IX Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns.
All other organizations must complete column (A) but are not required to complete columns (B), (C), and (D).

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to governments and organizations in the U S See Part IV, line 21				
2 Grants and other assistance to individuals in the U.S. See Part IV, line 22				
3 Grants and other assistance to governments, organizations, and individuals outside the U.S. See Part IV, lines 15 and 16				
4 Benefits paid to or for members				
5 Compensation of current officers, directors, trustees, and key employees	111366.	111366.		
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
7 Other salaries and wages	191905.	96650.	24640.	70615.
8 Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	31434.	21146.	2554.	7734.
9 Other employee benefits	20269.	13636.	1646.	4987.
10 Payroll taxes	24219.	16293.	1968.	5958.
11 Fees for services (non-employees):				
a Management				
b Legal				
c Accounting	16606.		16606.	
d Lobbying				
e Professional fundraising services See Part IV, line 17				
f Investment management fees				
g Other	33000.			33000.
12 Advertising and promotion	2466.		2466.	
13 Office expenses	36540.	14264.	14264.	8012.
14 Information technology				
15 Royalties				
16 Occupancy	54000.	45282.	4359.	4359.
17 Travel				
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings				
20 Interest				
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	28481.	22785.	2848.	2848.
23 Insurance				
24 Other expenses Itemize expenses not covered above (Expenses grouped together and labeled miscellaneous may not exceed 5% of total expenses shown on line 25 below)				
a Other Program Costs	572085.	572085.		
b Employee Leasing	6279.	4081.	314.	1884.
c Printing, Publications	3740.	1921.	1819.	
d Telephone	1281.		1281.	
e				
f All other expenses				
25 **Total functional expenses.** Add lines 1 through 24f	1133671.	919509.	74765.	139397.
26 **Joint costs** Check here ▶ ☐ if following SOP 98-2 Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation				

Part X Balance Sheet

				(A) Beginning of year		(B) End of year
Assets	1	Cash - non-interest-bearing			1	
	2	Savings and temporary cash investments		214361.	2	135228.
	3	Pledges and grants receivable, net			3	
	4	Accounts receivable, net		35747.	4	51285.
	5	Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L			5	
	6	Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B). Complete Part II of Schedule L			6	
	7	Notes and loans receivable, net			7	
	8	Inventories for sale or use			8	
	9	Prepaid expenses and deferred charges		6784.	9	11331.
	10a	Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D	10a 1062483.			
	b	Less: accumulated depreciation	10b 242814.	848151.	10c	819669.
	11	Investments - publicly traded securities			11	
	12	Investments - other securities. See Part IV, line 11		291025.	12	482002.
	13	Investments - program-related. See Part IV, line 11			13	
	14	Intangible assets			14	
	15	Other assets. See Part IV, line 11			15	
	16	**Total assets.** Add lines 1 through 15 (must equal line 34)		1396068.	16	1499515.
Liabilities	17	Accounts payable and accrued expenses		109464.	17	141718.
	18	Grants payable			18	
	19	Deferred revenue			19	
	20	Tax-exempt bond liabilities			20	
	21	Escrow or custodial account liability. Complete Part IV of Schedule D			21	
	22	Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L			22	
	23	Secured mortgages and notes payable to unrelated third parties		107327.	23	83082.
	24	Unsecured notes and loans payable to unrelated third parties			24	
	25	Other liabilities. Complete Part X of Schedule D			25	
	26	**Total liabilities.** Add lines 17 through 25		216791.	26	224800.
Net Assets or Fund Balances		**Organizations that follow SFAS 117, check here ▶ [X] and complete lines 27 through 29, and lines 33 and 34.**				
	27	Unrestricted net assets		979277.	27	1074715.
	28	Temporarily restricted net assets		200000.	28	200000.
	29	Permanently restricted net assets			29	
		Organizations that do not follow SFAS 117, check here ▶ [ ] and complete lines 30 through 34.				
	30	Capital stock or trust principal, or current funds			30	
	31	Paid-in or capital surplus, or land, building, or equipment fund			31	
	32	Retained earnings, endowment, accumulated income, or other funds			32	
	33	Total net assets or fund balances		1179277.	33	1274715.
	34	Total liabilities and net assets/fund balances		1396068.	34	1499515.

Part XI Financial Statements and Reporting

			Yes	No
1	Accounting method used to prepare the Form 990: [ ] Cash [X] Accrual [ ] Other ______ If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O.			
2a	Were the organization's financial statements compiled or reviewed by an independent accountant?	2a		X
b	Were the organization's financial statements audited by an independent accountant?	2b	X	
c	If "Yes" to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant?	2c	X	
	If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O.			
d	If "Yes" to line 2a or 2b, check a box below to indicate whether the financial statements for the year were issued on a consolidated basis, separate basis, or both: [X] Separate basis [ ] Consolidated basis [ ] Both consolidated and separate basis			
3a	As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?	3a		X
b	If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits.	3b		

SCHEDULE A
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

Complete if the organization is a section 501(c)(3) organization or a section 4947(a)(1) nonexempt charitable trust.
▶ Attach to Form 990 or Form 990-EZ. ▶ See separate instructions.

OMB No 1545-0047
2009
Open to Public Inspection

Name of the organization
EMBRACE KIDS FOUNDATION

Employer identification number
22-3092432

Part I **Reason for Public Charity Status** (All organizations must complete this part.) See instructions.

The organization is not a private foundation because it is: (For lines 1 through 11, check only one box.)

1 ☐ A church, convention of churches, or association of churches described in **section 170(b)(1)(A)(i).**
2 ☐ A school described in **section 170(b)(1)(A)(ii).** (Attach Schedule E.)
3 ☐ A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii).**
4 ☐ A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii).** Enter the hospital's name, city, and state: ____________
5 ☐ An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv).** (Complete Part II.)
6 ☐ A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v).**
7 ☐ An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi).** (Complete Part II.)
8 ☐ A community trust described in **section 170(b)(1)(A)(vi).** (Complete Part II.)
9 [X] An organization that normally receives: (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions - subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See **section 509(a)(2).** (Complete Part III.)
10 ☐ An organization organized and operated exclusively to test for public safety See **section 509(a)(4).**
11 ☐ An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2). See **section 509(a)(3).** Check the box that describes the type of supporting organization and complete lines 11e through 11h.

a ☐ Type I b ☐ Type II c ☐ Type III - Functionally integrated d ☐ Type III - Other

e ☐ By checking this box, I certify that the organization is not controlled directly or indirectly by one or more disqualified persons other than foundation managers and other than one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2).

f If the organization received a written determination from the IRS that it is a Type I, Type II, or Type III supporting organization, check this box ☐

g Since August 17, 2006, has the organization accepted any gift or contribution from any of the following persons?

		Yes	No
(i) A person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the supported organization?	11g(i)		
(ii) A family member of a person described in (i) above?	11g(ii)		
(iii) A 35% controlled entity of a person described in (i) or (ii) above?	11g(iii)		

h Provide the following information about the supported organization(s).

(i) Name of supported organization	(ii) EIN	(iii) Type of organization (described on lines 1-9 above or IRC section (see instructions))	(iv) Is the organization in col (i) listed in your governing document? Yes	(iv) No	(v) Did you notify the organization in col (i) of your support? Yes	(v) No	(vi) Is the organization in col (i) organized in the US? Yes	(vi) No	(vii) Amount of support
Total									

Part II **Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)**
(Complete only if you checked the box on line 5, 7, or 8 of Part I.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")						
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
3 The value of services or facilities furnished by a governmental unit to the organization without charge						
4 **Total.** Add lines 1 through 3						
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						
6 **Public support.** Subtract line 5 from line 4						

Section B. Total Support

Calendar year (or fiscal year beginning in) ▶	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(f) Total
7 Amounts from line 4						
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)						
11 **Total support.** Add lines 7 through 10						

12 Gross receipts from related activities, etc. (see instructions) | 12 |

13 **First five years.** If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and **stop here** ▶ ☐

Section C. Computation of Public Support Percentage

14 Public support percentage for 2009 (line 6, column (f) divided by line 11, column (f)) | 14 | %

15 Public support percentage from 2008 Schedule A, Part II, line 14 | 15 | %

16a **33 1/3% support test - 2009.** If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶ ☐

b **33 1/3% support test - 2008.** If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶ ☐

17a **10% -facts-and-circumstances test - 2009.** If the organization did not check a box on line 13, 16a, or 16b, and line 14 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and **stop here.** Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization ▶ ☐

b **10% -facts-and-circumstances test - 2008.** If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and **stop here.** Explain in Part IV how the organization meets the "facts-and-circumstances" test The organization qualifies as a publicly supported organization ▶ ☐

18 **Private foundation.** If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions ▶ ☐

Part III | Support Schedule for Organizations Described in Section 509(a)(2) (Complete only if you checked the box on line 9 of Part I)

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")	586608.	580098.	577549.	440791.	380636.	2565682.
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose	647498.	1164516.	1312408.	1004183.	863426.	4992031.
3 Gross receipts from activities that are not an unrelated trade or business under section 513						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5 The value of services or facilities furnished by a governmental unit to the organization without charge						
6 **Total.** Add lines 1 through 5	1234106.	1744614.	1889957.	1444974.	1244062.	7557713.
7a Amounts included on lines 1, 2, and 3 received from disqualified persons						0.
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of $5,000 or 1% of the amount on line 13 for the year						0.
c Add lines 7a and 7b						0.
8 **Public support** (Subtract line 7c from line 6.)						7557713.

Section B. Total Support

Calendar year (or fiscal year beginning in) ▶	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(f) Total
9 Amounts from line 6	1234106.	1744614.	1889957.	1444974.	1244062.	7557713.
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources	2681.	30273.	29460.	17246.	10955.	90615.
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b	2681.	30273.	29460.	17246.	10955.	90615.
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)	-8301.	160.	490.			-7651.
13 **Total support** (Add lines 9, 10c, 11, and 12.)	1228486.	1775047.	1919907.	1462220.	1255017.	7640677.

14 **First five years.** If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and **stop here** ▶ ☐

Section C. Computation of Public Support Percentage

15 Public support percentage for 2009 (line 8, column (f) divided by line 13, column (f))	15	98.91	%
16 Public support percentage from 2008 Schedule A, Part III, line 15	16	99.06	%

Section D. Computation of Investment Income Percentage

17 Investment income percentage for **2009** (line 10c, column (f) divided by line 13, column (f))	17	1.19	%
18 Investment income percentage from **2008** Schedule A, Part III, line 17	18	1.03	%

19a **33 1/3% support tests - 2009.** If the organization did not check the box on line 14, and line 15 is more than 33 1/3%, and line 17 is not more than 33 1/3%, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶ ☒

b **33 1/3% support tests - 2008.** If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3%, and line 18 is not more than 33 1/3%, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶ ☐

20 **Private foundation.** If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions ▶ ☐

Schedule D (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

▶ Complete if the organization answered "Yes," to Form 990, Part IV, line 6, 7, 8, 9, 10, 11, or 12.
▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2009

Open to Public Inspection

Name of the organization: EMBRACE KIDS FOUNDATION

Employer identification number: 22-3092432

Part I **Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts.** Complete if the organization answered "Yes" to Form 990, Part IV, line 6.

		(a) Donor advised funds	(b) Funds and other accounts
1	Total number at end of year		
2	Aggregate contributions to (during year)		
3	Aggregate grants from (during year)		
4	Aggregate value at end of year		

5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control? ☐ Yes ☐ No

6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds can be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit? ☐ Yes ☐ No

Part II **Conservation Easements.** Complete if the organization answered "Yes" to Form 990, Part IV, line 7.

1 Purpose(s) of conservation easements held by the organization (check all that apply).

- ☐ Preservation of land for public use (e g., recreation or pleasure)
- ☐ Preservation of an historically important land area
- ☐ Protection of natural habitat
- ☐ Preservation of a certified historic structure
- ☐ Preservation of open space

2 Complete lines 2a through 2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year.

			Held at the End of the Tax Year
a	Total number of conservation easements	2a	
b	Total acreage restricted by conservation easements	2b	
c	Number of conservation easements on a certified historic structure included in (a)	2c	
d	Number of conservation easements included in (c) acquired after 8/17/06	2d	

3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the tax year ▶ ______

4 Number of states where property subject to conservation easement is located ▶ ______

5 Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds? ☐ Yes ☐ No

6 Staff and volunteer hours devoted to monitoring, inspecting, and enforcing conservation easements during the year ▶ ______

7 Amount of expenses incurred in monitoring, inspecting, and enforcing conservation easements during the year ▶ $ ______

8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and section 170(h)(4)(B)(ii)? ☐ Yes ☐ No

9 In Part XIV, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements.

Part III **Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets.** Complete if the organization answered "Yes" to Form 990, Part IV, line 8.

1a If the organization elected, as permitted under SFAS 116, not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide, in Part XIV, the text of the footnote to its financial statements that describes these items.

b If the organization elected, as permitted under SFAS 116, to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items:

(i) Revenues included in Form 990, Part VIII, line 1 ▶ $ ______

(ii) Assets included in Form 990, Part X ▶ $ ______

2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 relating to these items:

a Revenues included in Form 990, Part VIII, line 1 ▶ $ ______

b Assets included in Form 990, Part X ▶ $ ______

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets *(continued)*

3 Using the organization's acquisition, accession, and other records, check any of the following that are a significant use of its collection items (check all that apply):

a ☐ Public exhibition
b ☐ Scholarly research
c ☐ Preservation for future generations
d ☐ Loan or exchange programs
e ☐ Other ______

4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIV.

5 During the year, did the organization solicit or receive donations of art, historical treasures, or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection? ☐ Yes ☐ No

Part IV Escrow and Custodial Arrangements. Complete if organization answered "Yes" to Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

1a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X? ☐ Yes ☐ No

b If "Yes," explain the arrangement in Part XIV and complete the following table:

		Amount
c Beginning balance	1c	
d Additions during the year	1d	
e Distributions during the year	1e	
f Ending balance	1f	

2a Did the organization include an amount on Form 990, Part X, line 21? ☐ Yes ☐ No

b If "Yes," explain the arrangement in Part XIV.

Part V Endowment Funds. Complete if the organization answered "Yes" to Form 990, Part IV, line 10.

	(a) Current year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1a Beginning of year balance					
b Contributions					
c Net investment earnings, gains, and losses					
d Grants or scholarships					
e Other expenditures for facilities and programs					
f Administrative expenses					
g End of year balance					

2 Provide the estimated percentage of the year end balance held as:

a Board designated or quasi-endowment ▶ ______ %

b Permanent endowment ▶ ______ %

c Term endowment ▶ ______ %

3a Are there endowment funds not in the possession of the organization that are held and administered for the organization by:

		Yes	No
(i) unrelated organizations	3a(i)		
(ii) related organizations	3a(ii)		
b If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R?	3b		

4 Describe in Part XIV the intended uses of the organization's endowment funds.

Part VI Investments - Land, Buildings, and Equipment. See Form 990, Part X, line 10.

Description of investment	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land		30547.		30547.
b Buildings		983482.	202356.	781126.
c Leasehold improvements				
d Equipment		48454.	40458.	7996.
e Other				
Total. Add lines 1a through 1e. *(Column (d) must equal Form 990, Part X, column (B), line 10(c).)* ▶				819669.

Schedule D (Form 990) 2009

Part VII Investments - Other Securities. See Form 990, Part X, line 12.

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
Financial derivatives		
Closely-held equity interests		
Other		
Total. (Col (b) must equal Form 990, Part X, col (B) line 12) ▶		

Part VIII Investments - Program Related. See Form 990, Part X, line 13.

(a) Description of investment type	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
Total. (Col (b) must equal Form 990, Part X, col (B) line 13) ▶		

Part IX Other Assets. See Form 990, Part X, line 15

(a) Description	(b) Book value
Total. *(Column (b) must equal Form 990, Part X, col (B) line 15.)* ▶	

Part X Other Liabilities. See Form 990, Part X, line 25

1. (a) Description of liability	(b) Amount
Federal income taxes	
Total. *(Column (b) must equal Form 990, Part X, col (B) line 25)* ▶	

2. FIN 48 Footnote. In Part XIV, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48.

Part XI Reconciliation of Change in Net Assets from Form 990 to Audited Financial Statements

1	Total revenue (Form 990, Part VIII, column (A), line 12)	1	1124533.
2	Total expenses (Form 990, Part IX, column (A), line 25)	2	1133671.
3	Excess or (deficit) for the year. Subtract line 2 from line 1	3	-9138.
4	Net unrealized gains (losses) on investments	4	104576.
5	Donated services and use of facilities	5	
6	Investment expenses	6	
7	Prior period adjustments	7	
8	Other (Describe in Part XIV.)	8	
9	Total adjustments (net). Add lines 4 through 8	9	104576.
10	Excess or (deficit) for the year per audited financial statements. Combine lines 3 and 9	10	95438.

Part XII Reconciliation of Revenue per Audited Financial Statements With Revenue per Return

1	Total revenue, gains, and other support per audited financial statements			1	1229109.
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12:				
a	Net unrealized gains on investments	2a	104576.		
b	Donated services and use of facilities	2b			
c	Recoveries of prior year grants	2c			
d	Other (Describe in Part XIV.)	2d			
e	Add lines **2a** through **2d**			2e	104576.
3	Subtract line **2e** from line **1**			3	1124533.
4	Amounts included on Form 990, Part VIII, line 12, but not on line **1**:				
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a			
b	Other (Describe in Part XIV.)	4b			
c	Add lines **4a** and **4b**			4c	0.
5	Total revenue. Add lines **3** and **4c.** *(This must equal Form 990, Part I, line 12.)*			5	1124533.

Part XIII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return

1	Total expenses and losses per audited financial statements			1	1133671.
2	Amounts included on line 1 but not on Form 990, Part IX, line 25:				
a	Donated services and use of facilities	2a			
b	Prior year adjustments	2b			
c	Other losses	2c			
d	Other (Describe in Part XIV.)	2d			
e	Add lines **2a** through **2d**			2e	0.
3	Subtract line **2e** from line **1**			3	1133671.
4	Amounts included on Form 990, Part IX, line 25, but not on line **1**:				
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a			
b	Other (Describe in Part XIV.)	4b			
c	Add lines **4a** and **4b**			4c	0.
5	Total expenses. Add lines **3** and **4c.** *(This must equal Form 990, Part I, line 18.)*			5	1133671.

Part XIV Supplemental Information

Complete this part to provide the descriptions required for Part II, lines 3, 5, and 9; Part III, lines 1a and 4; Part IV, lines 1b and 2b, Part V, line 4; Part X, line 2, Part XI, line 8; Part XII, lines 2d and 4b; and Part XIII, lines 2d and 4b. Also complete this part to provide any additional information.

Part X Line 2 - Fin 48 Footnote - The FASB issued an interpretation regarding Accounting for Uncertainty in Income Taxes. This interpretation clarifies the accounting for uncertainity in income taxes recognized in an enterprise's financial statements in accordance with Accounting for Income Taxes, and is effective for fiscal years beginning after December 15, 2008. The Organization adopted the provisions of the pronouncement and the adoption did not impact the amounts reported in the Organization's financial statements.

Embrace Kids Foundation
Securities on Hand - 2009

	# Shs	Cost 12/31/09	FMV 12/31/09
Abbott Laboratories	600	$ 26,291	$ 32,394
Abbott Laboratories	80	3,780	4,319
Berkshire Hathaway Inc	10	28,867	32,860
Comcast Corp	1,600	21,847	25,616
Fidelity Floating Rate Hi Inc Fd	4,440.563	35,203	41,786
Intel Corp	1,500	33,051	30,600
Intel Corp	150	3,425	3,060
Intl Bus Machines	200	24,361	26,180
Intl Bus Machines	20	2,443	2,618
Johnson & Johnson	400	24,383	25,764
Laboratory Corp Amer Hldgs	400	23,724	29,936
Laboratory Corp Amer Hldgs	40	2,390	2,994
Lowes Cos	1,000	41,338	36,350
Lowes Cos	70	2,900	2,545
Marlin Business Services	2,000	20,905	15,860
Marlin Business Services	200	2,052	1,586
Molson Coors Brewing Co	600	24,353	27,096
Molson Coors Brewing Co	75	3,047	3,387
News Corp	150	2,934	2,053
Occidental Petroleum	500	25,898	40,675
Packaging Corp Amer	1,400	31,338	32,214
Spdr Gold Tr Gold Shs	300	28,451	32,193
Travelers Cos Inc	600	29,161	29,916
		$ 442,142	$ 482,002

Embrace Kids Foundation
Realized Gains & Losses - Securities
Yr Ended 12/31/09

# Shs or $ Value	Securities	Trade Date Sold	Sales Proceeds	Cost	Short Term Gain (Loss)	Long Term Gain (Loss)
400	Automatic Data Processing	5/7/09	14,060.71	13,975.55	85.16	
500	Automatic Data Processing	5/20/09	17,997 53	17,477 88	519.65	
60	Automatic Data Processing	5/7/09	2,101 54	2,076.80	24 74	
2	Berkshire Hathaway	5/27/09	5,893 88	5,773 33		120 55
600	Cabot Oil & Gas	6/8/09	20,873.98	21,060 00		(186 02)
300	Everest Reinsurance	5/27/09	20,148 48	20,433 20	(284.72)	
3,800 217	Fidelity High Income Fd	8/4/09	35,000 00	30,135.72	4,864.28	
377 912	Fidelity High Income Fd	8/4/09	3,480 57	3,014 93	465 64	
1,200	Microsoft Corp	9/4/09	28,973 89	23,321.84	5,652.05	
150	Microsoft Corp	9/10/09	3,617 79	2,921.00	696.79	
500	Nokia Corp	5/7/09	7,572.70	9,772 22		(2,199.52)
1,000	Nokia Corp	5/27/09	14,963.81	19,544 78		(4,580.97)
1,500	Vodafone	11/6/09	33,287 94	28,934 00	4,353.94	
			207,972 82	198,441 25	16,377 53	(6,845.96)
		ST	158,668 45	142,290 92		
		LT	49,304 37	56,150 33		

SCHEDULE G
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information Regarding Fundraising or Gaming Activities

▶ Complete if the organization answered "Yes" to Form 990, Part IV, lines 17, 18, or 19, or if the organization entered more than $15,000 on Form 990-EZ, line 6a.
▶ Attach to Form 990 or Form 990-EZ. ▶ See separate instructions.

OMB No 1545-0047

2009

Open To Public Inspection

Name of the organization: EMBRACE KIDS FOUNDATION

Employer identification number: 22-3092432

Part I **Fundraising Activities.** Complete if the organization answered "Yes" to Form 990, Part IV, line 17. Form 990-EZ filers are not required to complete this part.

1 Indicate whether the organization raised funds through any of the following activities. Check all that apply.

- a [ ] Mail solicitations
- b [ ] Internet and email solicitations
- c [ ] Phone solicitations
- d [ ] In-person solicitations
- e [ ] Solicitation of non-government grants
- f [ ] Solicitation of government grants
- g [X] Special fundraising events

2 a Did the organization have a written or oral agreement with any individual (including officers, directors, trustees or key employees listed in Form 990, Part VII) or entity in connection with professional fundraising services? [ ] Yes [ ] No

b If "Yes," list the ten highest paid individuals or entities (fundraisers) pursuant to agreements under which the fundraiser is to be compensated at least $5,000 by the organization.

(i) Name of individual or entity (fundraiser)	(ii) Activity	(iii) Did fundraiser have custody or control of contributions? Yes	No	(iv) Gross receipts from activity	(v) Amount paid to (or retained by) fundraiser listed in col. (i)	(vi) Amount paid to (or retained by) organization
Total ▶						

3 List all states in which the organization is registered or licensed to solicit funds or has been notified it is exempt from registration or licensing.

NJ,PA

Part II **Fundraising Events.** Complete if the organization answered "Yes" to Form 990, Part IV, line 18, or reported more than $15,000 on Form 990-EZ, line 6a. List events with gross receipts greater than $5,000.

		(a) Event #1 Dinner Auction (event type)	(b) Event #2 Dance Marathon (event type)	(c) Other events 15 (total number)	(d) Total events (add col. (a) through col. (c))
Revenue	1 Gross receipts	185739.	293188.	513462.	992389.
	2 Less: Charitable contributions	42475.	55044.	75952.	173471.
	3 Gross income (line 1 minus line 2)	143264.	238144.	437510.	818918.
Direct Expenses	4 Cash prizes				
	5 Noncash prizes				
	6 Rent/facility costs	23824.		108488.	132312.
	7 Food and beverages				
	8 Entertainment				
	9 Other direct expenses	48599.	34705.	97870.	181174.
	10 Direct expense summary. Add lines 4 through 9 in column (d) ▶				(313486.)
	11 Net income summary. Combine line 3, column (d), and line 10 ▶				505432.

Part III **Gaming.** Complete if the organization answered "Yes" to Form 990, Part IV, line 19, or reported more than $15,000 on Form 990-EZ, line 6a.

		(a) Bingo	(b) Pull tabs/instant bingo/progressive bingo	(c) Other gaming	(d) Total gaming (add col. (a) through col. (c))
Revenue	1 Gross revenue				
Direct Expenses	2 Cash prizes				
	3 Noncash prizes				
	4 Rent/facility costs				
	5 Other direct expenses				
	6 Volunteer labor	☐ Yes ____ % ☐ No	☐ Yes ____ % ☐ No	☐ Yes ____ % ☐ No	
	7 Direct expense summary. Add lines 2 through 5 in column (d) ▶				( )
	8 Net gaming income summary. Combine line 1, column (d), and line 7 ▶				

		Yes	No
9 Enter the state(s) in which the organization operates gaming activities: NJ			
a Is the organization licensed to operate gaming activities in each of these states?	9a	X	
b If "No," explain:			
10a Were any of the organization's gaming licenses revoked, suspended or terminated during the tax year?	10a		X
b If "Yes," explain:			
11 Does the organization operate gaming activities with nonmembers?	11	X	
12 Is the organization a grantor, beneficiary or trustee of a trust or a member of a partnership or other entity formed to administer charitable gaming?	12		X

			Yes	No
13 Indicate the percentage of gaming activity operated in:				
a The organization's facility	**13a**	%		
b An outside facility	**13b**	100.00 %		
14 Enter the name and address of the person who prepares the organization's gaming/special events books and records: Name ▶ Glenn Jenkins Address ▶ 121 Somerset Street - New Brunswick, NJ 08905-0109				
15a Does the organization have a contract with a third party from whom the organization receives gaming revenue?	**15a**			X
b If "Yes," enter the amount of gaming revenue received by the organization ▶ $ ______ and the amount of gaming revenue retained by the third party ▶ $ ______ .				
c If "Yes," enter name and address of the third party: Name ▶ ______ Address ▶ ______				
16 Gaming manager information: Name ▶ ______ Gaming manager compensation ▶ $ ______ Description of services provided ▶ ______ ☐ Director/officer ☐ Employee ☐ Independent contractor				
17 Mandatory distributions:				
a Is the organization required under state law to make charitable distributions from the gaming proceeds to retain the state gaming license?	**17a**			X
b Enter the amount of distributions required under state law to be distributed to other exempt organizations or spent in the organization's own exempt activities during the tax year ▶ $				

SCHEDULE O (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990

Complete to provide information for responses to specific questions on Form 990 or to provide any additional information.
▶ Attach to Form 990.

OMB No 1545-0047
2009
Open to Public Inspection

Name of the organization	Employer identification number
EMBRACE KIDS FOUNDATION	22-3092432

Form 990, Part VI, Section B, line 11: The Organization receives a Draft copy of Form 990 from the preparer prior to filing. The governing body is instructed to review the information return. The preparer awaits approval of the return from the governing body. Upon receiving this approval, the preparer submits a final draft of Form 990 for signature and submission.

Form 990, Part VI, Section C, Line 19: The Organization utilizes their website to makes its governing documents, conflict of interest policy, and financial statements available to the public.

Form 990, Part XI, Line 2c

The organization's oversight process for audit during the year ended December 31, 2009 has not changed from the period year.

EMBRACE KIDS FOUNDATION

FINANCIAL STATEMENTS AND

SUPPLEMENTAL INFORMATION

FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

EMBRACE KIDS FOUNDATION

FINANCIAL STATEMENTS AND

SUPPLEMENTAL INFORMATION

FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

CONTENTS

Cust, Dori & Benick, P.A.
Certified Public Accountants
5 Bartles Corner Road
Flemington, NJ 08822
(908) 782-7300
Fax: (908) 782-8904

INDEPENDENT AUDITORS' REPORT

To The Board of Trustees of
Embrace Kids Foundation

We have audited the accompanying statements of financial position of Embrace Kids Foundation (a non-profit organization), as of December 31, 2009 and 2008, and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Embrace Kids Foundation as of December 31, 2009 and 2008, 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.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The schedules of functional expenses on pages 9 and 10 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Cust, Dori Benick

July 21, 2010

EMBRACE KIDS FOUNDATION
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2009 AND 2008

ASSETS

	2009	2008
CURRENT ASSETS		
Cash and Cash Equivalents	$ 135,228	$ 214,361
Revenue Receivables	51,285	35,747
Marketable Securities (Notes 2 and 3)	482,002	291,025
Prepaid Expenses	11,331	6,784
Total Current Assets	679,846	547,917
PROPERTY & EQUIPMENT (NOTES 1 AND 4)		
Land	30,547	30,547
Building and Improvements	983,482	983,482
Furniture, Fixtures & Equipment	48,454	48,454
Total	1,062,483	1,062,483
Less: Accumulated Depreciation	242,814	214,332
Net Property Plant & Equipment	819,669	848,151
TOTAL ASSETS	$ 1,499,515	$ 1,396,068

LIABILITIES AND NET ASSETS

	2009	2008
CURRENT LIABILITIES		
Accrued Expenses and Other Current Liabilities	$ 141,718	$ 109,464
Mortgage Loan Payable - Current Portion (Note 4)	25,974	24,487
Total Current Liabilities	167,692	133,951
OTHER LIABILITIES		
Mortgage Payable - Long-Term Portion (Note 4)	57,108	82,840
Total Liabilities	224,800	216,791
NET ASSETS		
Unrestricted	1,074,715	979,277
Temporarily Restricted (Note 2)	200,000	200,000
Total Net Assets	1,274,715	1,179,277
TOTAL LIABILITIES AND NET ASSETS	$ 1,499,515	$ 1,396,068

See Independent Auditors' Report and Notes to Financial Statements.

EMBRACE KIDS FOUNDATION
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

	2009	2008
UNRESTRICTED NET ASSETS		
SUPPORT		
Special Events - Fund-raising - Net	$ 678,902	$ 633,484
School System Reimbursements	44,508	32,027
Contributions and Grants	368,387	387,983
-	12,249	20,781
Total Support	1,104,046	1,074,275
NET ASSETS RELEASED FROM DONOR RESTRICTIONS	-	-
	1,104,046	1,074,275
REVENUES		
Interest and Dividends	10,955	17,246
Realized Gain (Loss) on Sale of Investments	9,532	(77,475)
Unrealized Gains (Loss) on Investments	104,576	(242,287)
Total Revenues (Losses) - Net	125,063	(302,516)
TOTAL SUPPORT AND REVENUES	1,229,109	771,759
EXPENSES		
Program Services	919,509	1,036,563
Supporting Services		
Management and General	74,765	88,532
Fund-raising	139,397	156,675
Total Expenses	1,133,671	1,281,770
INCREASE (DECREASE) IN UNRESTRICTED NET ASSETS	95,438	(510,011)
TEMPORARILY RESTRICTED NET ASSETS		
Contributions	-	-
Net Assets Released from Donor Restrictions	-	-
INCREASE (DECREASE) IN TEMPORARILY RESTRICTED NET ASSETS	-	-
TOTAL INCREASE (DECREASE) IN NET ASSETS	95,438	(510,011)
NET ASSETS AT BEGINNING OF YEAR	1,179,277	1,689,288
NET ASSETS AT END OF YEAR	$ 1,274,715	$ 1,179,277

See Independent Auditors' Report and Notes to Financial Statements.

EMBRACE KIDS FOUNDATION

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

	2009	2008
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (Decrease) in Net Assets	$ 95,438	$ (510,011)
Adjustment to Reconcile Changes in Net Assets to Net Cash Provided by (Used for) Operating Activities:		
Depreciation and Amortization	28,482	30,760
Realized (Gain) Loss on Sale of Securities	(9,532)	77,475
Unrealized (Gain) Loss on Securities	(104,576)	242,287
Changes in Assets and Liabilities		
(Increase) Decrease in Revenue Receivables	(15,538)	24,618
(Increase) Decrease in Prepaid Expenses	(4,547)	1,138
Increase in Accrued Expenses and Other Current Liabilities	32,254	76,187
Decrease in Deferred Revenue	-	(6,000)
Net Cash Provided by (Used for) Operating Activities	21,981	(63,546)
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of Property & Equipment	-	(11,207)
Proceeds from Sale of Investments	207,973	533,979
Purchase of Investments	(284,842)	(466,941)
Net Cash Flows Provided by (Used for) Investing Activities	(76,869)	55,831
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of Mortgage Payable	(24,245)	(22,673)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(79,133)	(30,388)
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	214,361	244,749
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 135,228	$ 214,361
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Interest Paid	$ 6,350	$ 8,053

See Independent Auditors' Report and Notes to Financial Statements.

EMBRACE KIDS FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2009

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Organization - Embrace Kids Foundation is a non-profit organization founded and chartered in New Jersey committed to enhance and support the quality of life and care of children with cancer and blood disorders and to provide a full range of support services to those children treated at the Cancer Institute of New Jersey and Robert Wood Johnson University Hospital.

Basis of Presentation - The accompanying financial statements follow the standards of accounting for non-profit organizations which are in conformity with recommendations of the American Institute of Certified Public Accountants.

Cash and Cash Equivalents - Cash equivalents consists of certificates of deposit with original maturities of three months or less. Certificates of deposit with original maturities that exceed three months are classified as temporary investments.

Use of Estimates in the Preparation of Financial Statements - The preparation of financial statements in conforming with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Actual results could differ from those estimates.

Marketable Securities - Embrace Kids Foundation recognizes FASB ASC 958 Non-Profit Entities (FAS 124). Under FAS 124, investments in marketable securities with readily determinable fair values and all investments in debt securities are included in the change in net assets.

Recognition of Donor Restrictions - All 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.

Financial Statement Presentation - Embrace Kids Foundation recognizes FASB ASC 958 Non-Profit Entities (FAS 117). Under FAS 117, 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. In addition, The Embrace Kids Foundation is required to present a statement of cash flows.

Contributions - Embrace Kids Foundation recognizes FASB ASC 958 Non-Profit Entities (FAS 116). In accordance with FAS 116, contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions. Under FAS 116, such contributions are required to be reported as temporarily restricted support and are then reclassified to unrestricted net assets upon expiration of the restriction.

Federal Income Tax Status - Embrace Kids Foundation is classified as an exempt organization under the Internal Revenue Code Section 501 (c)(3) and as a public charity qualified for charitable contributions under the Internal Revenue Code Section 170.

Concentration of Credit Risk - Embrace Kids Foundation's cash equivalents and marketable securities are reviewed by management along with the financial institutions its funds are invested and has determined that the Embrace Kids Foundation's exposure to concentrations of credit risk is limited.

EMBRACE KIDS FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2009

NOTE 1 (CONT'D)

Property and Equipment - Property and equipment are stated at cost. Depreciation is computed using the straight-line and declining balance methods over the estimated useful lives of the related assets as follows:

Building and Improvements	40 Years
Furniture, Fixtures and Equipment	5-7 Years

Expenditures for general repairs and maintenance are expensed as incurred. Expenditures for major renewals and improvements that extend the useful lives of the property and equipment are capitalized. Upon disposition, the cost and related accumulated depreciation are removed from the accounts and the resulting gain or loss is reflected in operations for the period.

Depreciation expense was $28,481 and $30,761 for the years ended December 31, 2009 and 2008, respectively.

Loan Origination and Acquisition Costs - Loan origination fees and acquisition costs are amortized by the straight-line method over five years.

Subsequent Events - The Organization adopted FASB ASC 855 Subsequent Events (FAS 165). Under FAS 165 the Organization did not have any subsequent events through July 21, 2010, which is the date the financial statements were available to be issued for events requiring recording or disclosure in the financial statements for the year ended December 31, 2009.

Accounting for Uncertainty in Income Taxes
The Financial Accounting Standards Board ("FASB") issued an interpretation regarding *Accounting for Uncertainty in Income Taxes.* This interpretation clarifies the accounting for uncertainty in income taxes recognized in an enterprise's financial statements in accordance with *Accounting for Income Taxes*, and is effective for fiscal years beginning after December 15, 2008. The Organization adopted the provisions of the pronouncement and the adoption did not impact the amounts reported in the Organization's financial statements.

NOTE 2 TEMPORARILY RESTRICTED NET ASSETS

There were no net assets released from donor restrictions during the years 2009 and 2008.

As of December 31, 2009, management has reviewed all prior donor restrictions and has determined the balance of restricted net assets, to be represented by an emergency family needs fund in the amount of $200,000.

NOTE 3 MARKETABLE SECURITIES

Marketable securities consisted of corporate equities with a fair market value of $482,002 as of December 31, 2009. As of December 31, 2009 and 2008, marketable securities in the amount of $200,000 and $200,000, respectively, were temporarily restricted. As of December 31, 2008, marketable securities consisted of corporate equities and government bonds with a fair market value of $291,025.

Fair Value Measurements - In September 2006, the FASB issued *Fair Value Measurements and Disclosures*, in order to establish a single definition of fair value and a framework for measuring fair value in accounting principles generally accepted in the United States of America ("GAAP") that is

NOTE 3 MARKETABLE SECURITIES (CONT'D)

intended to result in increased consistency and comparability in fair value measurements. *Fair Value Measurements and Disclosures* also expands disclosures about fair value measurements. *Fair Value Measurements and Disclosures* applies whenever other authoritative literature requires (or permits) certain assets or liabilities to be measured at fair value, but does not expand the use of fair value. *Fair Value Measurements and Disclosures* was originally effective for financial statements issued for fiscal years beginning after November 15, 2007, and interim periods within those years with early adoption permitted.

In early 2008, the FASB issued *Effective Date of Fair Value Measurements and Disclosures*, which delayed, by one year, the effective date of *Fair Value Measurements and Disclosures* for all nonfinancial assets and nonfinancial liabilities, except those that are recognized or disclosed at fair value in the financial statements on a recurring basis (at least annually). During the 2009 fiscal year, the Organization adopted the portion of *Fair Value Measurements and Disclosures* which was previously delayed by the FASB. The guidance pertains to items including, but not limited to, nonfinancial assets and nonfinancial liabilities initially measured at fair value in a business combination, nonfinancial assets (such as real estate or donation-in-kind) recorded at fair value at the time of donation, and long-lived assets measured at fair value for impairment assessment under *Accounting for the Impairment or Disposal of Long-Lived Assets.*

Fair Value Measurements and Disclosures establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. *Fair Value Measurements and Disclosures* defines fair value as the price that would be received to sell an asset or paid to transfer a liability (i.e., the "exit price") in an orderly transaction between market participants.

In determining fair value, an organization can use various valuation approaches, including market, income and/or cost approaches. 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 *Fair Value Measurements and Disclosures* and the Organization's related types, are described below:

Level 1 - Quoted prices for identical instruments in active markets.

Level 2 - Quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-driven valuations whose inputs are observable or whose significant value drivers are observable.

Level 3 - Significant inputs to the valuation model are unobservable.

The following table summarizes the valuation of the Organization's assets within the aforementioned valuation hierarchy as of December 31, 2009:

	Investments at Fair Value			
	Level 1	Level 2	Level 3	Total
Equities	$ 440,216	$ -	$ -	$ 440,216
Bond Funds	41,786	-	-	41,786
Total	$ 482,002	$ -	$ -	$ 482,002

NOTE 4 MORTGAGE LOAN PAYABLE

In November, 2002, Embrace Kids Foundation obtained a commercial mortgage of $245,000 from the Somerset Valley Bank for its building located at 121 Somerset Street, New Brunswick, NJ. The loan was paid through November 2007 at which time the loan balance was $130,000. This balance was refinanced with New Millennium Bank, payable over five years with monthly payments of $2,549.51 including interest, currently at 6.50%. The land and building are collateral for the loan. The loan balance at December 31, 2009 and 2008 was $83,082 and $107,327, respectively.

	2009	2008
Total Debt	$ 83,082	$ 107,327
Less: Current Portion	25,974	24,487
Long-Term Debt - Net of Current Portion	$ 57,108	$ 82,840

Maturities of long-term debt are as follows::

Year Ending December 31,	
2010	$ 25,974
2011	27,714
2012	29,394
	$ 83,082

NOTE 5 GRANT TO ROBERT WOOD JOHNSON MEDICAL SCHOOL

Embrace Kids Foundation has an agreement with the Robert Wood Johnson Medical School to provide support services to children and their families. Support services include teaching, child activities, counseling, emergency and other family needs, along with other program costs. Grants to the Robert Wood Johnson Medical School and other program costs for the years ended December 31, 2009 and 2008 were $270,000 and $320,824, respectively.

NOTE 6 COMMITMENTS AND CONTINGENCIES

There were no research grants awarded to the Cancer Institute of New Jersey in 2009 and 2008.

NOTE 7 BUILDING OPERATIONS

The building's operational costs incurred for the period ended December 31, 2009 and 2008 were as follows:

	2009	2008
Depreciation and Amortization	$ 28,481	$ 30,761
Interest Expense	6,350	8,053
Utilities	14,952	19,287
Insurance	13,597	14,310
Office Expense	4,664	4,001
Repairs and Maintenance	7,491	7,336
Other Costs	6,946	3,952
Total Building Costs	$ 82,481	$ 87,700

NOTE 8 PENSION PLAN

In January 2003, the Organization established a 401-K savings plan for all eligible participants with a safe harbor contribution of 3% of eligible compensation. The Organization's safe harbor contribution for 2009 and 2008 was $31,434 and $16,025, respectively.

EMBRACE KIDS FOUNDATION
SCHEDULE OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2009

		Supporting Services			Total
	Program Services	Management and General	Fund Raising	Total Supporting Services	
EXPENSES					
Salaries	$ 208,016	$ 24,640	$ 70,615	$ 95,255	$ 303,271
Payroll Taxes	16,293	1,968	5,958	7,926	24,219
Health Insurance	13,636	1,646	4,987	6,633	20,269
Pension Expense	21,146	2,554	7,734	10,288	31,434
Professional Fees	-	16,606	33,000	49,606	49,606
Tutors, Family Services, Etc.	572,085	-	-	-	572,085
Employee Leasing	4,081	314	1,884	2,198	6,279
Office Expenses	14,264	14,264	8,012	22,276	36,540
Telephone	-	1,281	-	1,281	1,281
Advertising & Public Relations	-	2,466	-	2,466	2,466
Printing, Publications & Postage	1,921	1,819	-	1,819	3,740
Research Grant	-	-	-	-	-
Travel and Meeting Expenses	-	-	-	-	-
Miscellaneous Expense	-	-	-	-	-
Building Expense (Note 7)	68,067	7,207	7,207	14,414	82,481
Total Expenses	$ 919,509	$ 74,765	$ 139,397	$ 214,162	$ 1,133,671

See Independent Auditors' Report and Notes to Financial Statements.

EMBRACE KIDS FOUNDATION
SCHEDULE OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2008

		Supporting Services			Total
	Program Services	Management and General	Fund Raising	Total Supporting Services	
EXPENSES					
Salaries	$ 295,982	$ 28,706	$ 79,447	$ 108,153	$ 404,135
Payroll Taxes & Benefits	28,499	4,343	12,022	16,365	44,864
Health Insurance	19,093	2,353	3,137	5,490	24,583
Pension Expense	8,768	1,110	6,147	7,257	16,025
Professional Fees	-	25,211	32,625	57,836	57,836
Tutors, Family Services, Etc.	604,117	-	-	-	604,117
Employee Leasing	4,051	419	2,164	2,583	6,634
Office Expenses	-	14,177	13,404	27,581	27,581
Telephone	-	673	-	673	673
Advertising & Public Relations	-	1,349	-	1,349	1,349
Printing, Publications & Postage	3,811	2,462	-	2,462	6,273
Research Grant	-	-	-	-	-
Travel and Meeting Expenses	-	-	-	-	-
Miscellaneous Expense	-	-	-	-	-
Building Expense (Note 7)	72,242	7,729	7,729	15,458	87,700
Total Expenses	$ 1,036,563	$ 88,532	$ 156,675	$ 245,207	$ 1,281,770

See Independent Auditors' Report and Notes to Financial Statements.

Form **8868** (Rev. April 2009) Department of the Treasury Internal Revenue Service

Application for Extension of Time To File an Exempt Organization Return

▶ File a separate application for each return.

OMB No. 1545-1709

- If you are filing for an **Automatic 3-Month Extension, complete only Part I** and check this box ▶ [X]
- If you are filing for an **Additional (Not Automatic) 3-Month Extension, complete only Part II** (on page 2 of this form).

Do not complete Part II unless you have already been granted an automatic 3-month extension on a previously filed Form 8868.

Part I **Automatic 3-Month Extension of Time.** Only submit original (no copies needed).

A corporation required to file Form 990-T and requesting an automatic 6-month extension - check this box and complete Part I only ▶ [ ]

All other corporations (including 1120-C filers), partnerships, REMICs, and trusts must use Form 7004 to request an extension of time to file income tax returns.

Electronic Filing (e-file). Generally, you can electronically file Form 8868 if you want a 3-month automatic extension of time to file one of the returns noted below (6 months for a corporation required to file Form 990-T). However, you cannot file Form 8868 electronically if (1) you want the additional (not automatic) 3-month extension or (2) you file Forms 990-BL, 6069, or 8870, group returns, or a composite or consolidated Form 990-T Instead, you must submit the fully completed and signed page 2 (Part II) of Form 8868. For more details on the electronic filing of this form, visit www.irs.gov/efile and click on e-file for Charities & Nonprofits.

Type or print	Name of Exempt Organization	Employer identification number
	EMBRACE KIDS FOUNDATION	22-3092432
File by the due date for filing your return See instructions	Number, street, and room or suite no. If a P.O. box, see instructions. 121 SOMERSET STREET	
	City, town or post office, state, and ZIP code. For a foreign address, see instructions. NEW BRUNSWICK, NJ 08901	

Check type of return to be filed (file a separate application for each return):

[X] Form 990	[ ] Form 990-T (corporation)	[ ] Form 4720
[ ] Form 990-BL	[ ] Form 990-T (sec. 401(a) or 408(a) trust)	[ ] Form 5227
[ ] Form 990-EZ	[ ] Form 990-T (trust other than above)	[ ] Form 6069
[ ] Form 990-PF	[ ] Form 1041-A	[ ] Form 8870

- The books are in the care of ▶ GLENN JENKINS 121 SOMERSET STREET - NEW BRUNSWICK, NJ 08901
  Telephone No. ▶ 732-247-5300 FAX No. ▶
- If the organization does not have an office or place of business in the United States, check this box ▶ [ ]
- If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) ______ . If this is for the whole group, check this box ▶ [ ] . If it is for part of the group, check this box ▶ [ ] and attach a list with the names and EINs of all members the extension will cover.

1 I request an automatic 3-month (6-months for a corporation required to file Form 990-T) extension of time until August 15, 2010 , to file the exempt organization return for the organization named above. The extension is for the organization's return for:

▶ [X] calendar year 2009 or

▶ [ ] tax year beginning ______ , and ending ______ .

2 If this tax year is for less than 12 months, check reason: [ ] Initial return [ ] Final return [ ] Change in accounting period

3a	If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions.	3a	$
b	If this application is for Form 990-PF or 990-T, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit.	3b	$
c	**Balance Due.** Subtract line 3b from line 3a. Include your payment with this form, or, if required, deposit with FTD coupon or, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions.	3c	$ N/A

Caution. If you are going to make an electronic fund withdrawal with this Form 8868, see Form 8453-EO and Form 8879-EO for payment instructions.