

THE BLUE CARD, INC.
(A NON-PROFIT ORGANIZATION)

FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2022

Irwin Kaufman
Certified Public Accountant

THE BLUE CARD, INC.

DECEMBER 31, 2022

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
of The Blue Card, Inc.

Opinion

We have audited the accompanying financial statements of The Blue Card, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2022, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Blue Card, Inc. as of December 31, 2022, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of The Blue Card, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about The Blue Card, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a

substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of The Blue Card, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about The Blue Card, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

November 10, 2023
Brooklyn, New York



Irwin Kaufman, CPA

THE BLUE CARD, INC.
STATEMENT OF FINANCIAL POSITION
AS OF DECEMBER 31, 2022

ASSETS

Current Assets

Cash and Cash Equivalents	\$2,219,210
Grants, Contracts, and Other Receivables	688,484
Prepaid Expenses	158,311
Marketable Securities	<u>587,041</u>
<i>Total Current Assets</i>	<u>\$3,653,046</u>

Other Assets

Security Deposit	\$ 4,291
Cemetery Plots	24,280
Miscellaneous	<u>60,476</u>
<i>Total Other Assets</i>	<u>\$ 89,047</u>
TOTAL ASSETS	<u>\$3,742,093</u>

LIABILITIES & NET ASSETS

Current Liabilities

Credit Cards Payable	\$ 61,030
Accounts Payable	255,936
Chase Loan	99,415
Payroll Taxes Payable	<u>5,869</u>
<i>Total Current Liabilities:</i>	\$ 422,250
TOTAL LIABILITIES:	\$ 422,250

NET ASSETS

With Donor Restrictions	\$ 688,485
Without Donor Restrictions	<u>2,631,358</u>
<i>Total Net Assets:</i>	<u>\$3,319,843</u>
TOTAL LIABILITIES & NET ASSETS	<u>\$3,742,093</u>

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

THE BLUE CARD, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2022

PUBLIC SUPPORT & REVENUE	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	TOTAL
Contributions	\$1,191,452		\$1,191,452
Legacies	120,152		120,152
Grants	1,385,377	\$452,920	1,838,297
NYC and State Funding	523,305	82,593	605,898
Claims Conference	340,962	<u>192,478</u>	533,440
Unrealized Capital Losses	(543,375)		(543,375)
Interest Income	216		216
Dividend Income	7,560		7,560
Miscellaneous Income	<u>48,105</u>		<u>48,105</u>
TOTAL PUBLIC SUPPORT & REVENUE	<u>\$3,073,754</u>	<u>\$727,991</u>	<u>\$3,801,745</u>
EXPENSES			
Program Services			
Assistance to Holocaust Survivors	<u>\$3,288,091</u>	<u>\$0</u>	<u>\$3,288,091</u>
Total Program Services	\$3,288,091	\$0	\$3,288,091
Supporting Services			
Management and General	\$ 370,398	\$0	\$ 370,398
Fund Raising	<u>125,744</u>	<u>0</u>	<u>125,744</u>
Total Supporting Services	\$496,142	\$0	\$496,142
TOTAL EXPENSES	<u>\$3,784,233</u>	<u>\$0</u>	<u>\$3,784,233</u>
INCREASE / (DECREASE) IN NET ASSETS	(<u>\$710,479</u>)	<u>\$727,991</u>	<u>\$17,512</u>
Net Assets – Beginning of the Year	<u>\$3,724,581</u>	<u>\$0</u>	<u>\$3,724,581</u>
Net Assets – End of the Year	<u>\$3,014,102</u>	<u>\$727,991</u>	<u>\$3,742,093</u>

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

THE BLUE CARD, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>SUPPORTING SERVICES</u>				
	<u>TOTAL</u>	<u>MANAGEMENT</u>		<u>TOTAL</u>	
	<u>PROGRAM</u>	<u>AND</u>	<u>FUNDRAISING</u>	<u>SUPPORTING</u>	<u>TOTAL</u>
		<u>GENERAL</u>		<u>SERVICES</u>	<u>EXPENSES</u>
<u>Personnel</u>					
Salary, Taxes, Benefits	\$ 521,630	\$ 186,296	\$ 37,260	\$ 223,556	\$ 745,186
Total Personnel:	\$ 521,630	\$ 186,296	\$ 37,260	\$ 223,556	\$ 745,186
<u>Other Than Personnel Services:</u>					
Grants to Clients	\$ 1,969,463	\$ -	\$ -	\$ -	\$ 1,969,463
Education and Outreach	390,097	36,447	7,290	43,737	433,834
Advertising	640	214	-	214	854
Computer Supplies	3,344	1,115	-	1,115	4,459
Fundraising Expense			66,890	66,890	66,890
Insurance	6,861	2,287	-	2,287	9,148
Occupancy	68,635	22,879	-	22,879	91,514
Office Expense	185,190	36,718	11,678	48,396	233,586
Postage	10,538		-	-	10,538
Professional Fees	81,819	66,942	-	66,942	148,761
Travel	36,765	13,130	2,626	15,756	52,521
Telephone	13,109	4,370	-	4,370	17,479
Total Other Than Personnel Expenses	\$ 2,766,461	\$ 184,102	\$ 88,484	\$ 272,586	\$ 3,039,047
TOTAL EXPENSES:	\$ 3,288,091	\$ 370,398	\$ 125,744	\$ 496,142	\$ 3,784,233

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

THE BLUE CARD, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2022

CASH FLOWS FROM OPERATING ACTIVITIES:

Changes in Net Assets	(\$404,737)
Adjustments to Reconcile Change in Net Assets to Net Cash Utilized In Operating Activities:	
Unrealized Loss on Investments	97,190
Grants and Other Receivable	(284,279)
Prepaid Expenses	(158,311)
Other Assets	(2,665)
Accounts Payable	<u>422,249</u>
Net Cash Utilized In Operating Activities	(\$330,553)

CASH FLOWS FROM INVESTING ACTIVITIES:

NONE	<u>-0-</u>
Net Cash Provided by Investing Activities	-0-

CASH FLOWS FROM FINANCING ACTIVITIES:

NONE	<u>-0-</u>
Net Cash Provided by Financing Activities	-0-
Net Decrease in Cash and Cash Equivalents	(\$330,553)
Cash & Cash Equivalents – Beginning of Year	<u>\$2,549,763</u>
Cash & Cash Equivalents – End of Year	<u>\$2,219,210</u>

Supplementary Disclosure:

Cash Basis

Taxes Paid	\$0
Interest Paid	\$0

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

THE BLUE CARD, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 1: NATURE OF ORGANIZATION

The Blue Card, Inc. (“the Organization”) is a nonprofit organization that provides assistance to needy Holocaust survivors and their families. The form of assistance and amount expended for each is detailed in the notes to the financial statements on page 12. Funding for the operations is derived from contributions from individuals, legacies, and other not-for-profit organizations. Additional funding is derived from the Claims Conference, interest, and dividends. Approximately 14% of the Organization’s support for the year ended December 31, 2022 came from the Claims Conference. The Organization is exempt from federal income tax under section 501 (c) (3) of the Internal Revenue Code and therefore, has made no provision for federal income taxes in the accompanying financial statements.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The accompanying financial statements have been prepared on the accrual basis of accounting, in accordance with generally accepted accounting principles.

FINANCIAL STATEMENT PRESENTATION

The financial statements are presented in accordance with the Statement of Financial Accounting Standard No. ASU 2016-14, “Financial Statements of Not-for-Profit Organizations” which requires the Organization to report information regarding its financial position and activities according to two classes of net assets: net assets with donor restrictions and net assets without donor restrictions.

CASH AND CASH EQUIVALENTS

The Organization’s financial instruments are cash and accrued expenses. The Organization considers all short-term highly liquid investments with a maturity date of three months or less to be cash equivalents. At December 31, 2022, the Organization did not have cash equivalents.

INVESTMENTS

Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statement of financial position. Unrealized gains or losses are included in the statement of activities.

THE BLUE CARD, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

CONTRIBUTIONS

The Organization reports information regarding its financial position and activities according to two classes of net assets that are based upon the existence or absence of restrictions on use that are place by its donors: net assets without donor restrictions and net assets with donor restrictions. Net assets without donor restrictions are resources available to support operations and not subject to donor restrictions. Net assets with donor restriction are resources that are subject to donor-imposed restrictions, such as restricted for a purpose or for it to be maintained in perpetuity. All contributions are considered to without restriction unless specifically restricted by the donors. The Organization had \$727,991 in net assets with donor restrictions for the calendar year 2022.

GRANTS, CONTRACTS, AND OTHER RECEIVABLES

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the calendar year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions. For the year ended December 31, 2022, \$688,484 was classified as grants, contracts, and other receivables.

PROPERTY AND EQUIPMENT

The Organization capitalizes property and equipment over \$5,000. Lesser amounts are expensed. Purchased property and equipment is capitalized at cost. Donations of property and equipment recorded as contributions at their estimated fair value. Such donations are reported as unrestricted contributions unless the donor has restricted the donated assets to a specific purpose. Property and equipment are depreciated using the straight-line method over estimated useful lives ranging from five to thirty years.

FUNCTIONAL ALLOCATION OF EXPENSES

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

USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

THE BLUE CARD, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

Note 3: **LIQUIDITY AND AVAILABILITY**

Financial assets available for general expenditures, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, totaled \$2,878,251 which is comprised of cash of \$2,291,210 and marketable securities at \$587,041.

In addition to the above amount, the Organization has a total liability of \$322,835 which comprise of credit card payable of \$61,030, accounts payable of \$255,936, and payroll taxes payable of \$5,869 that will require cash and are due within one year after the statement of financial position date.

Note 4: **FAIR VALUE MEASUREMENTS & FAIR VALUE DEFINITIONS & HIERARCHY**

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Accounting standards establish a fair value hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring the most observable inputs be used when available. Observable inputs are those that the market participants would use in pricing the asset or liability based on market data obtained from sources independent of the Organization. Unobservable inputs reflect the Organization's assumptions about inputs used by the market participants at the measurement date. The fair value hierarchy is categorized into three levels based on inputs as follows;

- Level 1 – Valuation based on quoted prices in active markets for identical assets or liabilities that the Organization has the ability to access.
- Level 2 – Valuation based on quoted prices for similar assets or liabilities in active markets; for identical or similar assets or liabilities in inactive markets; inputs other than quotes prices that are observable for the asset or liability; or inputs that are derived principally or corroborated by observable market data by correlation or other means.
- Level 3 – Valuation based on inputs that are unobservable and significant to the overall fair value measurement.

Carrying values of financial instruments, including cash, accounts receivable, and accounts payable, approximated their fair values due to the short-term nature of these financial instruments.

Note 5: **INCOME TAXES**

The organization is exempt from federal income tax under section 501 (c) (3) of the Internal Revenue Code and therefore, has made no provision for federal income taxes in the accompanying financial statements. There was no unrelated business income for the period ended December 31, 2022.

THE BLUE CARD, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

Note 6: **CASH**

Cash is comprised of the following:

Checking:	\$ 798,570
Money Market Savings:	<u>1,420,640</u>
	<u>\$2,219,210</u>

Note 7: **MARKETABLE SECURITIES**

The fair value of the Organization's investment consists of marketable securities available for sale amounted to \$587,041 at December 31, 2022. The fair value measurements and levels within the fair value hierarchy of those measurements as described in Note 4 for the assets reported at fair value on a recurring basis at December 31, 2022 was Level 1.

The Organization recognizes transfers of assets into and out of levels as of the date an event or change in circumstances causing the transfer. There were no transfers between levels in the year ended December 31, 2022.

Investments are reported at fair value on a recurring basis determined by reference to quoted market price.

Note 8: **REVENUE RECOGNITION**

The Organization applied the revenue recognition of Financial Accounting Standard Board's Accounting Standards Codification—Overall (ASC) 606, Revenue from Contracts with Customers, and ASC 825-10, Financial Instruments, which requires the recognition of revenue when promised goods or services are transferred to customers in an amount that reflects the consideration to which the Organization expects to be entitled in exchange for those goods or services.

The Organization applied the following five step process to recognize revenue:

Step 1: Identified the contract with a customer.

Step 2: Identified the performance obligations in the contract.

Step 3: Determined the transaction price.

Step 4: Allocated the transaction price to the performance obligations in the contract.

Step 5: Recognized revenue when (or as) the entity satisfies a performance obligation.

There were no contracts with customers at the beginning and end of the year December 31, 2022, and no revenue from contracts with customers in the calendar year 2022.

THE BLUE CARD, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

Note 9: **COMPENSATED BALANCES**

Employees of the Organization may be entitled to paid vacation, paid sick, and personal days off, depending on the job classification, length of services, and other factors. It is impractical to estimate the amount of compensation for future absences, and accordingly, no liability has been recorded in the accompanying financial statements. The Organization's policy is to recognize the costs of compensated absences when actually paid to employees.

Note 10: **COMMITMENTS AND CONTINGENCIES**

Lease Commitment: In October 2021, a lease was signed with an expiration date of December 2024.

Future minimum lease payments as of December 31, 2022 are as follows:

2023	\$97,341
2024	<u>\$100,261</u>
Total future minimum lease payments	<u>\$197,602</u>

Lease payments will increase by 3% annually.

The Organization has also entered into an equipment lease of three years for a Neopost postage machine. The lease requires quarterly payments of \$500.

Note 11: **CONCENTRATION OF CREDIT RISK**

The Organization maintains its cash balances at various financial institutions. The cash balances are insured by the Federal Deposit Insurance Corporation (FDIC) up to a specific limit. At times, the balances may be in excess of the FDIC insurance limit. The Organization has not experienced any losses to such accounts and, as such, believes it is not exposed to any significant credit risk on cash.

THE BLUE CARD, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

Note 12: **GRANTS TO CLIENTS**

Grants were made by the Organization during the year ended December 31, 2022 to designated individuals as follows:

Clients Qualified for Emergency Assistance	\$446,562
Monthly Assistances (including Homecare Services)	408,672
COVID-19 Relief Efforts	81,354
Telephone Emergency Response System	233,885
Supplemental Assistance (including Jewish Holidays)	<u>798,990</u>
	<u>\$1,969,463</u>

Note 13: **SUBSEQUENT EVENTS**

Management has evaluated subsequent events through November 10, 2023, the date the financial statements were available for issue and has determined that there are no additional adjustments and/or disclosures required.