

**S. FINDER & COMPANY, LLC**

**CERTIFIED PUBLIC ACCOUNTANTS**  
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**INDEPENDENT AUDITOR'S REPORT**

To the Board of Trustees of  
The Blue Card, Inc.  
New York, NY

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, 2015, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements.

**Management's Responsibility for the Financial Statements**

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

**Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

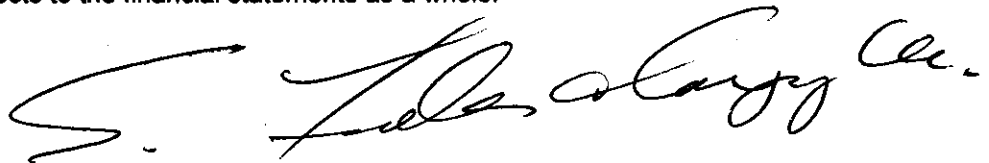
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Blue Card, Inc. as of December 31, 2015, and the changes in its net assets and its cash flows for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

## Opinion on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of functional expenses on pages 10 & 11 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects to the financial statements as a whole.

A handwritten signature in black ink, appearing to read "S. John Langley" with a flourish at the end.

Englewood, NJ.  
March 30, 2016

THE BLUE CARD, INC.  
STATEMENT OF FINANCIAL POSITION  
DECEMBER 31, 2015

<b>ASSETS</b>		
Cash	\$1,642,658	
Cash in transit	187,700	
Grants and contracts and other receivables	131,245	
Prepaid expenses	1,620	
Investments	71,966	
Equipment, net	4,403	
Cemetery plots	24,280	
Security deposit	4,291	
	<u>                    </u>	
TOTAL ASSETS		\$2,068,163 =====
 <b>LIABILITIES AND NET ASSETS</b>		
<b>LIABILITIES</b>		
Accounts payable	\$34,705	
	<u>                    </u>	
TOTAL LIABILITIES		\$34,705
 <b>NET ASSETS</b>		
Unrestricted (includes \$100,000 board designated operating reserve)	2,033,458	
Temporarily restricted	-	
	<u>                    </u>	
TOTAL NET ASSETS		2,033,458 -----
TOTAL LIABILITIES AND NET ASSETS		\$2,068,163 =====

See accompanying notes.

THE BLUE CARD, INC.  
STATEMENT OF ACTIVITIES  
YEAR ENDED DECEMBER 31, 2015

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
<b>REVENUES, GAINS (LOSS) AND OTHER SUPPORT</b>			
Contributions	\$1,202,564		\$1,202,564
Legacies	649,724		649,724
Grants	541,000	\$149,139	690,139
Grants-emergency assistance - Claims Conference		1,010,678	1,010,678
Grants-emergency assistance - UJA Federation of NY		114,895	114,895
Net assets released from restrictions:			
Satisfaction of purpose	1,274,712	(1,274,712)	-
Investment income	7,043		7,043
Net unrealized gain(loss) and realized gain(loss) on investments	(455)		(455)
	<u>3,674,588</u>	<u>-</u>	<u>3,674,588</u>
<b>TOTAL REVENUES, GAINS AND OTHER SUPPORT</b>			
	<u>3,674,588</u>	<u>-</u>	<u>3,674,588</u>
<b>FUNCTIONAL EXPENSES</b>			
Program services	3,263,716		3,263,716
Management and general	222,841		222,841
Fundraising	346,988		346,988
	<u>3,833,544</u>	<u>-</u>	<u>3,833,544</u>
<b>TOTAL FUNCTIONAL EXPENSES</b>			
	<u>3,833,544</u>	<u>-</u>	<u>3,833,544</u>
<b>CHANGE IN NET ASSETS</b>	(158,956)		(158,956)
<b>NET ASSETS AT BEGINNING OF YEAR</b>	<u>2,192,414</u>		<u>2,192,414</u>
<b>NET ASSETS AT END OF YEAR</b>	<u>\$2,033,458</u> =====	<u>\$0.00</u> =====	<u>\$2,033,458</u> =====

See accompanying notes.

THE BLUE CARD, INC.  
STATEMENT OF CASH FLOWS  
YEAR ENDED DECEMBER 31, 2015

<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Decrease in net assets	(\$158,956)
Adjustment to reconcile decrease in net assets to net cash used by operating activities:	
Cash in transit	(80,449)
Depreciation	2,685
Unrealized loss on investment	455
(Increase) decrease in operating assets	
Grants and contracts and other receivables	(79,684)
Prepaid expenses	(319)
Increase (decrease) in operating liabilities	
Accounts Payable	4,083
	-----
NET CASH USED BY OPERATING ACTIVITIES	(312,185)
 <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Additional investment in securities	(3,357)
Donated stock	(6,649)
Return of capital GNMA	39
	-----
NET CASH USED BY INVESTING ACTIVITIES	(9,967)
	-----
 NET DECREASE IN CASH	(322,152)
 BEGINNING CASH	1,964,810
	-----
 ENDING CASH	\$1,642,658
	=====

See accompanying notes.

THE BLUE CARD, INC  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2015

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

This summary of significant accounting policies of The Blue Card, Inc. is presented to assist in understanding the organization's financial statements. The financial statements and notes are representations of the organization's management who is responsible for their integrity and objectivity. These accounting policies conform to generally accepted accounting principles and have been consistently applied in the preparation of the financial statements.

**ORGANIZATION AND NATURE OF OPERATIONS**

The Blue Card, Inc. is a not-for-profit organization whose mission is to provide assistance to needy Holocaust Survivors and their families. Funding for operations of The Blue Card, Inc. is derived from contributions from individuals, legacies, other not-for-profit organizations and income from idle funds.

**INCOME TAXES**

The Blue Card, Inc. is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and has been classified as a publicly supported organization as described in Code Section 509(a)(1) and 170(b)(1)(A)(vi).

**BASIS OF ACCOUNTING**

The accompanying financial statements are presented on the accrual basis of accounting and have been prepared to focus on the organization as a whole and to present balances and transactions according to the existence or absence of donor-imposed restrictions as required by the accounting standards for Not-for-Profit Organizations.

**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 of assets and liabilities and disclosures at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**FINANCIAL STATEMENT PRESENTATION**

The organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

**REVENUES - GRANTS AND CONTRIBUTIONS**

Grants and other contributions of cash and other assets are reported as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Contributions of noncash assets are recorded at their fair values when received.

**CASH**

Cash is composed of checking, money market and savings accounts.

THE BLUE CARD, INC  
 NOTES TO FINANCIAL STATEMENTS  
 DECEMBER 31, 2015

INVESTMENTS AND CASH

The organization has invested its excess cash in money market and savings accounts which are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 through December 31, 2015 and in three security companies.

Marketable securities are considered available for sale and consist of equity securities, which are carried at fair market value. Securities classified as available for sale are those that the organization intends to hold for an indefinite period of time. The organization reports any unrealized gains or losses as increases or decreases in investment, unless management estimates the decline in fair market value to be other than temporary. Declines in fair market value that are other than temporary are included in earnings. Realized gain or losses determined on the basis of the cost of specific securities sold or the adjusted basis of securities with previously recognized declines in market value, are included in earnings.

EQUIPMENT

Equipment is stated at cost. Depreciation is provided for on a straight-line method based on the following estimated useful lives:

<u>Description</u>	<u>Estimated Life (Years)</u>
Computer Software	5 years
Equipment	5 years
Furniture	7 years

Expenditures for maintenance and repairs are charged to operations as incurred.

NOTE 2 - CASH

Cash is comprised of the following:

Checking Account	\$725,540
Money Market & Savings Accounts	917,118
	-----
	\$1,642,658
	=====

NOTE 3 - INVESTMENTS

Investments at December 31, 2015 consisted of the following:

Investments - Securities (at fair market value)	\$71,966
	=====

Marketable Securities

Investments representing marketable equity securities available for sales are summarized as follows at December 31, 2015:

<u>Original Cost</u>	<u>Market Value</u>	<u>Cumulative Unrealized Gain as of 12/31/2015</u>
\$60,534	\$71,966	\$11,432

THE BLUE CARD, INC.  
 NOTES TO FINANCIAL STATEMENTS  
 DECEMBER 31, 2015

**NOTE 4 - EQUIPMENT - NET**

Equipment at December 31, 2015 consists of the following:

Computer Software	\$3,324
Equipment	7,691
Furniture	3,139
	-----
	14,154
Less accumulated depreciation	(9,751)
	-----
Equipment - net	\$4,403
	=====

Depreciation expense included as a charge to income amounted to \$2,685 for the year ended December 31, 2015.

**NOTE 5 - COMMITMENTS**

On April 7, 2014, The Blue Card, Inc. signed an renewal lease of five years for office space commencing April 15, 2003 through March 31, 2019. As of December 31, 2015 the minimum annual lease payments are as follows:

2016	47,345
2017	48,969
2018	50,456
2019	12,708
Thereafter	-
	-----
	\$159,478
	=====

The Blue Card, Inc also entered into a equipment lease starting June 1, 2011 for 63 months. This lease will expire August 31, 2016.

Lease payments for the next five years are:

2016	1,804
Thereafter	-
	-----
	\$1,804
	=====

**NOTE 6 - CONCENTRATION OF CREDIT RISK**

The Blue Card, Inc. maintains checking, and/or money market accounts at four different banks. The accounts at these institutions are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. Cash at three of these institutions exceed the FDIC insured limits. The amount in excess of the FDIC insured limit totaled \$334,918 on December 31, 2015.



**SUPPLEMENTARY INFORMATION**

THE BLUE CARD, INC.  
 SUPPLEMENTARY SCHEDULE OF FUNCTIONAL EXPENSES  
 DECEMBER 31, 2015

FUNCTIONAL EXPENSES

Expenses are allocated on a functional basis between the program expenses, management and general expenses and fundraising. Expenses that can be identified with a specific program and support service are allocated directly according to their natural expenditure classification. Other expenses are common to several functions and are allocated by management.

	<u>PROGRAM EXPENSES</u>	<u>MANAGEMENT &amp; GENERAL EXPENSES</u>	<u>FUNDRAISING</u>	<u>TOTAL</u>
Salary	\$171,848	\$61,374	\$12,274	\$245,497
Payroll taxes and fringe benefits	46,947	16,766	3,354	67,067
Professional fees	67,151	82,073	-	149,224
Computer supplies	2,464	821	-	3,285
Depreciation	-	2,685	-	2,685
Insurance	6,010	2,004	-	8,014
Office expenses	20,382	7,279	1,456	29,117
Postage	16,325	4,353	1,089	21,766
Printing & artwork	27,914	27,914	-	55,828
Rent	41,418	13,806	-	55,224
Miscellaneous	-	1,863	-	1,863
Telephone	5,708	1,902	-	7,610
Outreach & education	57,220	-	-	57,220
Fundraising	-	-	-	-
Events	-	-	289,440	289,440
Mailing & artwork	-	-	39,375	39,375
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Total	463,387	222,841	346,988	1,033,215
Grants to clients	2,800,329	-	-	2,800,329
	-----	-----	-----	-----
Total expenses	<u>\$3,263,716</u>	<u>\$222,841</u>	<u>\$346,988</u>	<u>\$3,833,544</u>

See independent auditor's report.

THE BLUE CARD, INC.  
SUPPLEMENTARY SCHEDULE OF FUNCTIONAL EXPENSES  
DECEMBER 31, 2015

GRANTS AND TRANSFERS TO CLIENTS

Grants were made by The Blue Card, Inc. during the year ended December 31, 2015 to designated individuals as follows:

		<u>DOLLAR AMOUNT</u>
Monthly Assistance	\$	644,215
Clients qualified for Emergency Assistance		727,472
Homecare		907,154
Telephone Emergency Response Systems		266,415
Jewish Holidays		167,122
Summer Retreat Program		29,865
Birthday Program		58,085
Total	\$	<u>2,800,328</u> =====

See independent auditor's report.