NORTH AMERICAN CONFERENCE ON ETHIOPIAN JEWRY, INC. AND AFFILIATE

COMBINED FINANCIAL STATEMENTS

YEAR ENDED

DECEMBER 31, 2025

NORTH AMERICAN CONFERENCE ON ETHIOPIAN JEWRY, INC. AND AFFILIATE

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INDEPENDENT AUDITOR'S REPORT

TO THE BOARD OF DIRECTORS OF
NORTH AMERICAN CONFERENCE ON ETHIOPIAN JEWRY, INC.

Opinion

I have audited the accompanying financial statements of North American Conference on Ethiopian Jewry, Inc. (a nonprofit organization), which comprise the combined statement of financial position as of December 31, 2025, and the related combined statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of North American Conference on Ethiopian Jewry, Inc. as of December 31, 2025, 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. I did not audit the financial statements of the affiliate, North American Conference on Ethiopian Jewry - Israel, a separate organization under Israeli law, which statements reflect total assets of $496,664 as of December 31, 2025 and total support and revenues of $880,020 for the year then ended. Those financial statements were audited by other auditors whose report has been furnished to me, and my opinion, insofar as it relates to the amounts included for North American Conference on Ethiopian Jewry - Israel, is based solely on the report of the other auditors.

Basis for Opinion

I conducted my audit in accordance with auditing standards generally accepted in the United States of America. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am required to be independent of North American Conference on Ethiopian Jewry, Inc. and to meet my other ethical responsibilities in accordance with the relevant ethical requirements relating to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my 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 North American Conference on Ethiopian Jewry, 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

My 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 my 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, I:

- 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 North American Conference on Ethiopian Jewry, 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 my judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about North American Conference on Ethiopian Jewry, Inc.'s ability to continue as a going concern for a reasonable period of time.

I am 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 I identified during the audit.

Lawrence M. Ginsberg, CPA, PC

Rochelle Park, New Jersey

November 3, 2026

NORTH AMERICAN CONFERENCE ON ETHIOPIAN JEWRY, INC. AND AFFILIATE

COMBINED STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2025

	Without Donor Restrictions	With Donor Restrictions	Total
ASSETS			
Cash and cash equivalents	$ 445,227	$ 168,837	$ 614,064
Contributions receivable, net	30,408	3,599	34,007
Prepaid expenses	10,287	241,876	252,163
Investments	2,660,058		2,660,058
Security deposits	15,553		15,553
Total assets	$ 3,161,533	$ 414,312	$ 3,575,845
LIABILITIES AND NET ASSETS			
Liabilities:			
Accounts payable and accrued expenses	$ 162,059		$ 162,059
Deferred public support	168,837		168,837
Total liabilities	330,896		330,896
Net assets:			
Without donor restrictions	2,830,637		2,830,637
With donor restrictions		414,312	414,312
Total net assets	2,830,637	414,312	3,244,949
Total liabilities and net assets	$ 3,161,533	$ 414,312	$ 3,575,845

See Notes to Combined Financial Statements

NORTH AMERICAN CONFERENCE ON ETHIOPIAN JEWRY, INC. AND AFFILIATE

COMBINED STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2025

	Without Donor Restrictions	With Donor Restrictions	Total
Operating Activities			
Revenues and Other Support:			
Public support	$ 973,429	$ 539,467	$ 1,512,896
Sales, net	550		550
Other income	946		946
Interest and dividend income	94,208		94,208
Net assets released from restrictions	392,727	(392,727)	
Total revenues and other support	1,461,860	146,740	1,608,600
Expenses:			
Program services:			
Relief in Ethiopia	1,097,487		1,097,487
Assistance in Israel	835,655		835,655
Information and Education - USA	180,057		180,057
Total program services	2,113,199		2,113,199
Supporting services:			
Management and general	203,185		203,185
Fundraising	250,865		250,865
Total supporting services	454,050		454,050
Total expenses	2,567,249		2,567,249
Change in net assets from operations	(1,105,389)	146,740	(958,649)
Nonoperating Activities			
Investment return, net	190,941		190,941
Total nonoperating activities	190,941		190,941
Change in net assets	(914,448)	146,740	(767,708)
Net assets, beginning of year	3,745,085	267,572	4,012,657
Net assets, end of year	$ 2,830,637	$ 414,312	$ 3,244,949

See Notes to Combined Financial Statements

NORTH AMERICAN CONFERENCE ON ETHIOPIAN JEWRY, INC. AND AFFILIATE

COMBINED STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2025

	Program Services				Supporting Services			
	Relief in Ethiopia	Assistance in Israel	Information and Education - USA	Total	Management and General	Fundraising	Total	Total Expenses
Salaries and wages	$ 12,753	$ 218,643	$ 109,197	$ 340,593	$ 80,356	$ 147,363	$ 227,719	$ 568,312
Payroll taxes	1,383	6,296	7,189	14,868	8,719	11,330	20,049	34,917
Employee benefits	5,182	23,596	26,946	55,724	32,678	42,466	75,144	130,868
Rent	1,696	50,332	8,818	60,846	10,694	13,899	24,593	85,439
Telephone and communications		1,595	633	2,228	316	949	1,265	3,493
Postage and shipping		568	1,705	2,273	1,137	2,273	3,410	5,683
Office expense and supplies	410	13,654	2,132	16,196	2,586	3,361	5,947	22,143
Printing and publications		394	9,262	9,656	197	9,853	10,050	19,706
Travel and other related costs		8,346	27	8,373	9	36	45	8,418
Purchased services		34,013	7,545	41,558	45,271	7,545	52,816	94,374
Program assistance	1,076,063	456,277		1,532,340				1,532,340
Other operating expenses		21,941	6,603	28,544	21,222	11,790	33,012	61,556
Total expenses	$ 1,097,487	$ 835,655	$ 180,057	$ 2,113,199	$ 203,185	$ 250,865	$ 454,050	$ 2,567,249

See Notes to Combined Financial Statements

NORTH AMERICAN CONFERENCE ON ETHIOPIAN JEWRY, INC. AND AFFILIATE

COMBINED STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2025

	Without Donor Restrictions	With Donor Restrictions	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Change in net assets	$ (914,448)	$ 146,740	$ (767,708)
Adjustments to reconcile change in net assets to net cash used in operating activities:			
Investment return, net	(190,941)		(190,941)
Lease expense	45,914		45,914
Changes in operating assets and liabilities:			
Contributions receivable, net	26,039	13,600	39,639
Prepaid expenses	96,667	(241,876)	(145,209)
Accounts payable and accrued expenses	(13,185)		(13,185)
Lease liabilities	(44,871)		(44,871)
Deferred public support	(81,536)		(81,536)
Net cash used in operating activities	(1,076,361)	(81,536)	(1,157,897)
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of investments	1,001,186		1,001,186
Purchase of investments	(193,306)		(193,306)
Net cash provided by investing activities	807,880		807,880
Net decrease in cash and cash equivalents	(268,481)	(81,536)	(350,017)
Cash and cash equivalents, beginning of year	713,708	250,373	964,081
Cash and cash equivalents, end of year	$ 445,227	$ 168,837	$ 614,064

See Notes to Combined Financial Statements

NORTH AMERICAN CONFERENCE ON ETHIOPIAN JEWRY, INC. AND AFFILIATE

NOTES TO COMBINED FINANCIAL STATEMENTS

Note 1 - Organization:

North American Conference on Ethiopian Jewry, Inc. ("NACOEJ") is a nonprofit organization established in 1982. NACOEJ assists the community of Ethiopian Jews. It works independently and, whenever possible, in concert with other concerned agencies to respond to the needs of Ethiopian Jewry.

NACOEJ conducts its operations in Israel through North American Conference on Ethiopian Jewry-Israel ("NACOEJ-Israel") which is a separate nonprofit organization under local Israeli law. NACOEJ-Israel has a separate and distinct Board of Directors from NACOEJ although there is significant common control. NACOEJ signed an operational agreement with the government of Ethiopia to establish NACOEJ ("NACOEJ-Ethiopia") as a registered nongovernmental organization in Ethiopia. NACOEJ conducted its operations in Ethiopia through this entity, however, operations in Ethiopia have been phased out. During 2025, NACOEJ provided funds to some feeding programs through local organizations.

The primary programs of NACOEJ include:

- Relief in Ethiopia - provides food to Ethiopian Jews living in Ethiopia.
- Assistance in Israel - provides educational, cultural and vocational assistance and meals to Ethiopian Jews who have reached Israel in making a transition to their new land.
- Information and Education - U.S.A. - informs the American community about the current status of Ethiopian Jews in Ethiopia and Israel and introduces the American community to the cultural heritage of the Ethiopian Jews.

Note 2 - Summary of significant accounting policies and basis of presentation:

Combined financial statements:

The combined financial statements include the accounts and activities of NACOEJ and NACOEJ-Israel. Inter-organizational accounts and transactions have been eliminated in combination. As used herein, the "Organization" refers to NACOEJ and NACOEJ-Israel, collectively.

Basis of presentation:

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("GAAP") which require the Organization to report information regarding its financial position and activities according to the following net asset classifications:

Note 2 - Summary of significant accounting policies and basis of presentation (continued):

Basis of presentation (continued):

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the organization. These net assets may be used at the discretion of the Organization's management and board of directors.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions may be temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions may be perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity. There are no net assets as of December 31, 2025 that are maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statement of activities.

Measure of operations:

The statement of activities reports all changes in net assets, including changes in net assets from operating and non-operating activities. Operating activities consist of those items attributable to the Organization's program activities, and interest and dividends earned on investments. Non-operating activities are limited to resources that generate return from investments and other activities considered to be of a more unusual or nonrecurring nature.

Cash and cash equivalents:

Cash and cash equivalents includes bank accounts subject to immediate withdrawal, money market accounts and other short-term investments with an original maturity of three months or less from the date of purchase.

Concentrations of credit risk:

Financial instruments that potentially subject the Organization to concentrations of credit risk consist principally of cash and cash equivalents and investments. At various times during the year, the cash and investment balances may exceed the Federal Deposit Insurance Corporation (FDIC) limits of $250,000 or the Securities Investor Protection Corporation (SIPC) limits of $500,000. The Organization maintains its cash and investment accounts with high credit quality financial institutions to mitigate its credit risk and monitors its account balances and the financial institutions involved as a method of reducing its credit risk. The Organization has not experienced, nor does it anticipate, any losses with respect to such accounts.

Note 2 - Summary of significant accounting policies and basis of presentation (continued):

Concentrations of credit risk (continued):

At December 31, 2025, the Organization's uninsured cash and cash equivalents and investments total approximately $1,766,000.

Contributions receivable:

Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Conditional promises to give are not included as support until the conditions are met.

An allowance for uncollectible promises to give is made based on management's judgement reflected by factors such as prior collection history, the type of contributions made and other relevant factors. Management has recorded the contributions receivable net of estimated doubtful accounts of $22,000 at December 31, 2025 and expects the balance to be collected within one year. Such estimate is based on management's assessments of the creditworthiness of its donors, the aged basis of its receivables, as well as current economic conditions and historical information.

Furniture and equipment, net:

Furniture and equipment are stated at cost at the date of purchase less accumulated depreciation. Depreciation is calculated over the estimated useful lives of the respective assets on a straight-line basis. The useful lives range from five to seven years. The Organization's policy is to capitalize assets with a useful life of greater than one year and in excess of $2,000. Furniture and equipment is fully depreciated as of December 31, 2025. Depreciation expense for the year ended December 31, 2025 was $0.

Investments:

Investments are recorded at cost, if purchased, or at fair value, if donated and thereafter, investments are reported at their fair values in the statement of financial position. Changes in fair value are reported as investment return in the statement of activities.

Collections:

The Organization maintains a collection of Ethiopian Jewish artifacts that were acquired during its numerous missions to Ethiopia. The collection is comprised of various decorative, ritual and functional items, including colorful woven straw baskets, traditional small black ceramic figures, musical instruments, hand-woven and hand-embroidered fabric and clothing, leather baby pouches, hand-forged tools and hand-constructed bellows and pit-looms. These items are maintained to preserve the unique and ancient culture of Ethiopian Jews.

Note 2 - Summary of significant accounting policies and basis of presentation (continued):

Collections (continued):

Although the collection has historical significance, the collection is not a financially significant asset of the Organization. The Organization has elected not to capitalize this collection. The various items are either on loan to museums or kept in storage with the goal of finding a permanent home for them with a museum.

Fair value measurements:

Fair value is defined as the price that would be received to sell an asset in the principal or most advantageous market for the asset in an orderly transaction between market participants on the measurement date. GAAP establishes a fair value hierarchy that prioritizes investments based on those assumptions. The fair value hierarchy gives the highest priority to quoted prices in active markets (observable inputs) and the lowest priority to an entity's assumptions (unobservable inputs). The Organization groups assets at fair value in three levels, based on the markets in which the assets and liabilities are traded and the reliability of the assumptions used to determine fair value. These levels are:

Level 1: Unadjusted quoted prices for identical assets or liabilities in active markets as of the measurement date.

Level 2: Observable inputs, either directly or indirectly, including:

- **Quoted prices for similar assets/liabilities in active markets;**
- **Quoted prices for identical or similar assets/liabilities in non-active markets;**
- **Inputs other than quoted prices that are observable for the asset/liability;**
- **Inputs that are derived principally from or corroborated by other observable market data.**

Level 3: Unobservable inputs that cannot be corroborated by observable market data.

Contributions:

Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Contributions that are restricted by the donor may be reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the contribution is recognized. All other donor restricted contributions are reported as an increase in net assets with donor restrictions, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Contributions of assets other than cash

Note 2 - Summary of significant accounting policies and basis of presentation (continued):

Contributions (continued):

are recorded at estimated fair value.

In-kind donations:

Donated marketable securities are recorded as contributions in the accompanying statement of activities at their estimated value at the date of receipt. Several volunteers have made contributions of their time in furtherance of the Organization's mission. These services have not been reflected in the accompanying statement of activities because they do not create or enhance a nonfinancial asset or require specialized skills.

Functional allocation of expenses:

The costs of providing the Organization's program and supporting services have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the program and supporting services in reasonable amounts determined by management predominantly according to time and effort.

Use of estimates:

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities and disclosures of contingent assets and liabilities as of the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Income taxes:

The Organization is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. The Organization has processes presently in place to ensure the maintenance of its tax-exempt status; to identify and report unrelated income; to determine its filing and tax obligations in jurisdictions for which it has nexus; and to identify and evaluate other matters that may be considered tax positions. The Organization has determined that there are no material uncertain tax positions that require recognition or disclosure in the financial statements.

Revenue Recognition:

In May, 2014, the Financial Accounting Standards Board ("FASB") issued ASU 2014-09, *Revenue from Contracts with Customers ("ASC 606")* which is effective for years beginning after December 15, 2018 for private companies. This ASU and all subsequently issued

Note 2 - Summary of significant accounting policies and basis of presentation (continued):

Revenue Recognition (continued):

clarifying ASU's relating to revenue recognition replaced most existing guidance in GAAP. The public support and investment income which comprise the significant revenue sources of the Organization are outside the scope of ASC 606.

Leases:

In February 2016, the Financial Accounting Standards Board ("FASB") issued ASU 2016-02, and subsequently in June 2020, the FASB issued ASU 2020-05 delaying the effective date of implementing ASU 2016-02 for Leases (Topic 842). The Organization has adopted FASB ASC 842, Leases, with an initial application of January 1, 2022. For leases with a lease term greater than one year, the Organization recognizes a lease asset for its right to use the underlying leased asset and a lease liability for the corresponding lease obligation. The Organization determines whether an arrangement is or contains a lease at contract inception. Operating leases with a duration greater than one year are included in operating lease right-of-use assets and operating lease liabilities in the statement of financial condition. Operating lease right-of-use assets and operating lease liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term. In determining the present value of lease payments, the Organization uses a risk-free rate of a period comparable with that of the lease term. The Organization considers the lease term to be the noncancelable period that it has the right to use the underlying asset, including all periods covered by an option to (1) extend the lease if the Organization is reasonably certain to exercise that option, and (2) terminate the lease if the Organization is reasonably certain not to exercise that option, and (3) extend, or not to terminate, the lease in which exercise of the option is controlled by the lessor. Lease expense is recognized on a straight-line basis over the expected lease term in the statement of activities and changes in net assets.

Compensated absences:

Employees are entitled to paid vacation, paid sick days, and personal days off, depending on job classification, length of service, and other factors. It is impracticable 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 the employees.

Advertising:

The Organization expenses advertising costs as they are incurred. Advertising expense was $0 for the year ended December 31, 2025.

Note 3 - Availability and Liquidity:

The following represents the Organization's financial assets at December 31, 2025:

Financial assets:

Cash and cash equivalents	$ 614,064
Contributions receivable, net	34,007
Investments	2,660,058
Total financial assets	3,308,129
Less amounts not available to be used within one year:	
Net assets with donor restrictions	414,312
Less net assets with purpose restrictions to be met in less than a year	414,312
Net amounts not available to be used within one year	0
Financial assets available to meet general expenditures over the next twelve months	$ 3,308,129

The Organization's goal is to maintain financial assets to meet at least 90 days of operating expenses of approximately $642,000.

Note 4 - Investments:

The following is a summary of investments at December 31, 2025:

Equity securities and funds	$ 1,104,969
Fixed income securities and funds	1,555,089
Totals	$ 2,660,058

At December 31, 2025, all investments are considered Level 1 investments.

Note 5 - Lease commitments:

The Organization occupies premises in New York City under an operating lease which expires on August 31, 2026. Additional amounts are due for real estate tax and electricity escalation charges under the lease. The Organization occupies premises in Israel on a month-to-month basis. Total rent expense incurred under operating leases totaled $85,439 for the year ended December 31, 2025. A 1 year lease renewal for premises in New York City was signed in August 2026.

Note 5 - Lease commitments (continued):

Operating Lease Cost:	
Office space, included in program and supporting services	**$45,145**
Other Information:	
Cash paid for amounts included in the measurement of lease liabilities:	
Operating Cash Flows from Operating Leases	**$45,914**
Weighted-Average Remaining Operating Lease Term	**1 year**
Weighted-Average Discount Rate	**6.0%**

Future minimum rent payments under the lease agreement at December 31, 2025 are:

2026	**$ 11,724**
2027	**7,816**
Total	**19,540**

Note 6 - Employee benefit plans:

The Organization sponsors a defined contribution pension plan which covers all eligible employees working in the United States. Contributions to the plan are determined by the Board of Directors. Pension expense was $41,132 in 2025.

The Organization maintains an employee severance pay fund for eligible employees working in Israel as required by Israeli law. In 2025, the provision for employee severance pay was $311,057, calculated on the basis of one month's salary multiplied by years of employment for each employee. Prepaid employee severance pay at December 31, 2025 was $241,876, which is included in the prepaid expenses on the combined statement of financial position.

Note 7 - Joint cost allocation:

In 2025, the Organization incurred joint costs of $19,115 for informational materials and activities that included fundraising appeals. Of those costs, $9,853 was allocated to fundraising expense and $9,262 was allocated to information and education.

Note 8 - Evaluation of subsequent events:

The management of the Organization has evaluated subsequent events through November 3, 2026, the financial statement issuance date. The management of the Organization has determined that there are no subsequent events that require additional disclosure.

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