

**NORTH AMERICAN CONFERENCE ON  
ETHIOPIAN JEWRY, INC. AND AFFILIATE**

**COMBINED FINANCIAL STATEMENTS**

**YEAR ENDED**

**DECEMBER 31, 2017**

**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.**

I have audited the accompanying combined financial statements of North American Conference on Ethiopian Jewry, Inc. and Affiliate ("the Organization") (a nonprofit organization), which comprise the combined statement of financial position as of December 31, 2017, 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.

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

Management is responsible for the preparation and fair presentation of these combined 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**

My responsibility is to express an opinion on these combined financial statements based on my audit. I did not audit the financial statements of the affiliate, North American Conference on Ethiopian Jewry - Israel, a separate organization under Israeli law, whose statements reflect total assets of \$295,405 as of December 31, 2017 and total support and revenues of \$1,672,014 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 the Israeli organization, is based solely on the report of the other auditors. I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the combined financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the combined 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 combined 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, I express no such opinion. An audit 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 combined financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

**Opinion**

In my opinion, based on my audit and the report of other auditors, the combined financial statements referred to above present fairly, in all material respects, the financial position of North American Conference on Ethiopian Jewry, Inc. and Affiliate as of December 31, 2017 and the changes in its net assets and cash flows for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

*Lawrence M. Ginsberg CPA PC*  
Rochelle Park, New Jersey  
October 31, 2018

NORTH AMERICAN CONFERENCE ON ETHIOPIAN JEWRY, INC. AND AFFILIATE

COMBINED STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2017

	Current Funds		Total
	Unrestricted	Temporarily Restricted	All Funds
<b><u>ASSETS</u></b>			
<b>Current assets:</b>			
Cash and cash equivalents	\$ 233,610	\$ 553,074	\$ 786,684
Investment in marketable securities	4,420	1,242,529	1,246,949
Contributions receivable	28,351	83,846	112,197
Prepaid expenses	2,462		2,462
Total current assets	268,843	1,879,449	2,148,292
Furniture and equipment, net of accumulated depreciation of \$58,037	290		290
Security deposits	15,553		15,553
Total assets	\$ 284,686	\$ 1,879,449	\$ 2,164,135
 <b><u>LIABILITIES AND NET ASSETS</u></b>			
<b>Current liabilities:</b>			
Accounts payable and accrued expenses	\$ 232,296		\$ 232,296
Deferred public support	553,073		553,073
Total liabilities	785,369		785,369
<b>Commitments</b>			
<b>Net assets:</b>			
Unrestricted	(500,683)		(500,683)
Temporarily restricted		1,879,449	1,879,449
Total net assets	(500,683)	1,879,449	1,378,766
Total liabilities and net assets	\$ 284,686	\$ 1,879,449	\$ 2,164,135

NORTH AMERICAN CONFERENCE ON ETHIOPIAN JEWRY, INC. AND AFFILIATE

**COMBINED STATEMENT OF ACTIVITIES  
YEAR ENDED DECEMBER 31, 2017**

	Current Funds		Total
	Unrestricted	Temporarily Restricted	All Funds
<b>Support and revenue:</b>			
Public support	\$ 785,908	\$ 1,314,336	\$ 2,100,244
Sales (net of cost of goods sold of \$951)	10,055		10,055
Other income	7,745		7,745
Dividend income	137	17,104	17,241
Net realized and unrealized gain/(loss) on securities	(4,285)	225,718	221,433
Net assets released from restrictions - satisfaction of program restrictions	1,296,696	(1,296,696)	
<b>Total support and revenue</b>	<b>2,096,256</b>	<b>260,462</b>	<b>2,356,718</b>
<b>Expenses:</b>			
<b>Program services:</b>			
Relief in Ethiopia	69,904		69,904
Assistance in Israel	1,584,565		1,584,565
Information and Education - USA	191,775		191,775
<b>Total program services</b>	<b>1,846,244</b>		<b>1,846,244</b>
<b>Supporting services:</b>			
Management and general	169,780		169,780
Fundraising	258,039		258,039
<b>Total supporting services</b>	<b>427,819</b>		<b>427,819</b>
<b>Total expenses</b>	<b>2,274,063</b>		<b>2,274,063</b>
<b>Change in net assets</b>	<b>(177,807)</b>	<b>260,462</b>	<b>82,655</b>
<b>Net assets, beginning of year</b>	<b>(322,876)</b>	<b>1,618,987</b>	<b>1,296,111</b>
<b>Net assets, end of year</b>	<b>\$ (500,683)</b>	<b>\$ 1,879,449</b>	<b>\$ 1,378,766</b>

See Notes to Combined Financial Statements

NORTH AMERICAN CONFERENCE ON ETHIOPIAN JEWRY, INC. AND AFFILIATES

COMBINED STATEMENT OF FUNCTIONAL EXPENSES  
YEAR ENDED DECEMBER 31, 2017

	Program Services				Supporting Services			Total Expenses
	Relief in Ethiopia	Assistance in Israel	Information and Education - U.S.A.	Total	Management and General	Fundraising	Total	
Salaries and wages	\$ 12,900	\$ 198,472	\$ 106,496	\$ 317,868	\$ 67,586	\$ 140,239	\$ 207,825	\$ 525,693
Payroll taxes	1,225	6,644	6,381	14,250	6,420	9,585	16,005	30,255
Employee benefits	3,927	21,291	20,448	45,666	20,574	30,715	51,289	96,955
Rent	2,900	45,578	15,100	63,578	15,193	22,683	37,876	101,454
Telephone and communications		3,044	1,152	4,196	576	1,727	2,303	6,499
Postage and shipping		1,862	4,324	6,186	2,883	5,766	8,649	14,835
Office expense and supplies	652	11,524	3,393	15,569	3,414	5,097	8,511	24,080
Printing and publications		908	21,341	22,249	454	22,704	23,158	45,407
Travel and other related costs		9,694	783	10,477	261	1,045	1,306	11,783
Purchased services	48,300	41,319	4,562	45,881	27,370	4,562	31,932	77,813
Program assistance		1,235,323		1,283,623				1,283,623
Other operating expenses		8,906	7,795	16,701	25,049	13,916	38,965	55,666
<b>Total expenses</b>	<b>\$ 69,904</b>	<b>\$ 1,584,565</b>	<b>\$ 191,775</b>	<b>\$ 1,846,244</b>	<b>\$ 169,780</b>	<b>\$ 258,039</b>	<b>\$ 427,819</b>	<b>\$ 2,274,063</b>

NORTH AMERICAN CONFERENCE ON ETHIOPIAN JEWRY, INC. AND AFFILIATE

**COMBINED STATEMENT OF CASH FLOWS**  
**YEAR ENDED DECEMBER 31, 2017**

	Current Funds		Total
	Unrestricted	Temporarily Restricted	All Funds
<b>Operating activities:</b>			
Change in net assets	\$ (177,807)	\$ 260,462	\$ 82,655
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:			
Depreciation	584		584
Net realized and unrealized (gain)/loss on securities	4,285	(225,718)	(221,433)
Changes in operating assets and liabilities:			
Contributions receivable	19,089	1,973	21,062
Prepaid expenses	(2,462)		(2,462)
Accounts payable and accrued expenses	(75,124)		(75,124)
Deferred public support	152,945		152,945
Net cash provided by (used in) operating activities	(78,490)	36,717	(41,773)
<b>Investing activities:</b>			
Proceeds from sale/maturity of investments	24,986	318,851	343,837
Purchase of investments	(26,872)	(209,734)	(236,606)
Net cash provided by (used in) investing activities	(1,886)	109,117	107,231
<b>Net increase (decrease) in cash and cash equivalents</b>	(80,376)	145,834	65,458
<b>Cash and cash equivalents, beginning of year</b>	313,986	407,240	721,226
<b>Cash and cash equivalents, end of year</b>	\$ 233,610	\$ 553,074	\$ 786,684

See Notes to Combined Financial Statements

# **NORTH AMERICAN CONFERENCE ON ETHIOPIAN JEWRY, INC. AND AFFILIATE**

## **NOTES TO COMBINED FINANCIAL STATEMENTS**

### **Note 1 - Organization:**

#### **Organization:**

North American Conference on Ethiopian Jewry, Inc. ("NACOEJ") is a nonprofit organization under Section 501(c)(3) of the Internal Revenue Code. 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 2017, NACOEJ provided funds for some feeding programs through local organizations.

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

The primary programs of the Organization 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:**

#### **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").



# **NORTH AMERICAN CONFERENCE ON ETHIOPIAN JEWRY, INC. AND AFFILIATES**

## **NOTES TO COMBINED FINANCIAL STATEMENTS**

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

#### **Basis of presentation (continued):**

**The Organization reports information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted and permanently restricted.**

- **Unrestricted net assets are resources representing the portion of expendable funds available for support of the organization.**
- **Temporarily restricted net assets are resources representing designated unexpended contributions limited by donor imposed purpose or time restrictions.**
- **Permanently restricted net assets are subject to donor imposed restrictions that will not expire by the passage of time, nor can they be fulfilled or otherwise resolved by actions of the Organization.**

**There are no permanently restricted net assets as of December 31, 2017.**

#### **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.**

#### **Cash and cash equivalents:**

**Cash and cash equivalents, includes bank accounts subject to immediate withdrawal, money market accounts and highly-liquid investments with an original maturity of three months or less. At times, such balances may exceed federally insured limits. At December 31, 2017, the Organization had cash and cash equivalent balances that exceed federally insured limits of approximately \$251,000.**

#### **Investments in marketable securities:**

**Investments in marketable securities are stated at fair value with unrealized gains and losses included in the combined statement of activities.**

#### **Fixed assets and depreciation:**

**Fixed assets with a useful life of greater than one year and in excess of \$2,000 are capitalized and recorded at original cost. Depreciation is provided over the estimated useful lives of the respective assets on a straight-line basis.**

# **NORTH AMERICAN CONFERENCE ON ETHIOPIAN JEWRY, INC. AND AFFILIATE**

## **NOTES TO COMBINED FINANCIAL STATEMENTS**

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

#### **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-loom. These items are maintained to preserve the unique and ancient culture of Ethiopian Jews.**

**Although the collection has historical significance, the collection is not a 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.**

#### **Tax exempt status:**

**The Organization is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and classified by the Internal Revenue Service as other than a private foundation under IRC Section 509(a)(2).**

#### **Revenue recognition:**

**Contributions, including unconditional promises to give, are recognized as revenue in the period received. Contributions with donor-imposed restrictions and unconditional promises to give with payments due in future periods are reported as support and added to temporarily or permanently restricted net assets. Conditional promises to give are not recognized until conditions on which they depend are substantially met.**

**Deferred public support is recorded when contributions for a particular operating purpose are received in advance of the period that the funds were designated for in accordance with GAAP.**

**Contributions of assets other than cash are recorded at estimated fair value. Contributions to be received after more than one year are discounted to their present value (estimated fair value) using a rate commensurate with the risks involved. Amortization of the discount is recorded as additional contribution revenue.**

**Management has recorded the contributions receivable net of estimated doubtful accounts of \$22,000 at December 31, 2017 and expects the balance to be collected within one year. Such estimate is based on management's assessments of the creditworthiness of its donors,**

**NORTH AMERICAN CONFERENCE ON ETHIOPIAN JEWRY, INC. AND AFFILIATE**

**NOTES TO COMBINED FINANCIAL STATEMENTS**

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

**Revenue recognition (continued):**

the aged basis of its receivables, as well as current economic conditions and historical information.

**Donated materials and services:**

Donated marketable securities are reflected as contributions in the accompanying combined financial statements at their estimated value at date of receipt. No amounts have been reflected in the financial statements for donated services inasmuch as no objective basis is available to measure the value of such services; however, a substantial number of volunteers have donated significant amounts of their time to the Organization's program services and to its fundraising campaigns.

**Note 3 - Furniture and equipment:**

Furniture and equipment consist of the following:

	<u>Est Life</u>	
Furniture and equipment	5 yrs	\$ 58,327
Less: accumulated depreciation		<u>58,037</u>
		<u>\$ 290</u>

Depreciation expenses for the year ended December 31, 2017 was \$584.

**Note 4 - Investments in marketable securities:**

For the year ended December 31, 2017, the Organization had net realized gains on marketable securities of \$70,087 and net unrealized gains of \$151,346. The cumulative net unrealized gain (loss) on securities at December 31, 2017 is detailed below:

	<u>Cost</u>	<u>Fair Value</u>	<u>Cumulative Unrealized Gain (Loss)</u>
Corporate stocks	\$538,008	\$1,245,948	\$707,940
Corporate bonds	0	0	0
Government bonds	<u>1,000</u>	<u>1,000</u>	<u>0</u>
Totals	<u>\$539,008</u>	<u>\$1,246,948</u>	<u>\$707,940</u>

Fair values for marketable securities are determined by reference to quoted market prices and other relevant information generated by market transactions, which are Level 1 inputs in the fair value hierarchy.

**NORTH AMERICAN CONFERENCE ON ETHIOPIAN JEWRY, INC. AND AFFILIATE**

**NOTES TO COMBINED FINANCIAL STATEMENTS**

**Note 5 - Functional allocation of expenses:**

The costs of providing the Organization's programs and other activities have been summarized on a functional basis in the statement of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefitted.

**Note 6 - Joint cost allocation:**

In 2017, the Organization incurred joint costs of \$44,045 for informational materials and activities that included fundraising appeals. Of those costs, \$22,704 was allocated to fundraising expense and \$21,341 was allocated to information and education.

**Note 7 - Lease commitments:**

The Organization occupied premises in New York City under an operating lease which covered the period September 1, 2010 through August 31, 2015 with an option to renew for 5 years. In 2015, the Organization renewed the lease for an additional 5 years through August 31, 2020. 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. Rent expense for the year ended December 31, 2017 aggregated \$101,454. The Organization also leases equipment under an operating lease over a 5 year period.

Minimum annual rental commitments in years subsequent to December 31, 2017 are:

2018	\$ 64,500
2019	66,500
2020	<u>45,200</u>
Totals	<u>\$ 176,200</u>

**Note 8 - Endowment funds:**

**Interpretation of law:**

NACOEJ maintains an endowment fund, which is comprised of a certain donor-restricted temporarily restricted fund functioning as an endowment to support a variety of purposes. As required by accounting principles generally accepted in the United States of America (GAAP), net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

# NORTH AMERICAN CONFERENCE ON ETHIOPIAN JEWRY, INC. AND AFFILIATE

## NOTES TO COMBINED FINANCIAL STATEMENTS

### Note 8- Endowment funds (continued):

#### Interpretation of law (continued):

NACOEJ has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, NACOEJ would classify as permanently restricted net assets (a) the original value of gifts donated to a permanent endowment, (b) the original value of subsequent gifts to a permanent endowment, (c) accumulations to a permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of donor-restricted endowment funds is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by NACOEJ in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, NACOEJ considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

1. Duration and preservation of the fund
2. Purposes of NACOEJ and the fund
3. General economic conditions
4. Possible effect of inflation and deflation
5. Expected total return from investment income and appreciation and depreciation of investments
6. Other resources of NACOEJ
7. Investment policies of NACOEJ

#### Investment policy:

Endowment assets include those assets of donor-restricted endowment funds NACOEJ must hold in perpetuity or for donor-specified periods. Under NACOEJ investment policy, endowment assets are invested in a manner that is intended to preserve inflation adjusted values and provide annual budgetary support that is both stable and growing.

To satisfy its long-term rate of return objectives, NACOEJ relies on a total return strategy in which investment returns are achieved through both a current yield (investment income such as dividends and interest) and capital appreciation (both realized and unrealized). NACOEJ targets a diversified asset allocation, including, but not limited to, equity and fixed income instruments. The asset mix of the endowment funds is described in Note 4.

**NORTH AMERICAN CONFERENCE ON ETHIOPIAN JEWRY, INC. AND AFFILIATE**

**NOTES TO COMBINED FINANCIAL STATEMENTS**

**Note 8- Endowment funds (continued):**

**Investment policy(continued):**

The composition of net assets by type of endowment fund at December 31, 2017 was:

	<b>Temporarily Restricted</b>
<b>Donor-restricted endowment funds</b>	<b><u>\$1,242,530</u></b>

Included in the temporarily restricted net assets is \$1,242,530 representing the Isaac and Rose Feiner Fund. The Isaac and Rose Feiner Fund was established in 1999 with the principal balances being restricted for 20 years. Earnings on the Fund's investments can be used for any purpose.

Changes in endowment net assets for the year ended December 31, 2017 were:

	<b>Temporarily Restricted</b>
<b>Endowment net assets, beginning of year</b>	<b><u>\$1,130,040</u></b>
<b>Investment return</b>	
<b>Investment income</b>	<b>17,104</b>
<b>Net appreciation</b>	<b><u>225,718</u></b>
<b>Total investment return</b>	<b><u>242,822</u></b>
<b>Contributions to endowment funds</b>	<b>0</b>
<b>Amounts appropriated for expenditure</b>	<b><u>(130,332)</u></b>
<b>Endowment net assets, end of year</b>	<b><u>\$1,242,530</u></b>

From time to time, the fair market value of assets associated with individual donor-restricted endowment funds may fall below the level NACOEJ is required to retain as a fund of perpetual duration pursuant to donor stipulation or UPMIFA. In accordance with GAAP, deficiencies of this nature are reported in unrestricted net assets. There were no such deficiencies at December 31, 2017.

**Note 9 - 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 \$36,507 in 2017.

# NORTH AMERICAN CONFERENCE ON ETHIOPIAN JEWRY, INC. AND AFFILIATE

## NOTES TO COMBINED FINANCIAL STATEMENTS

### Note 9 - Employee benefit plans(continued):

The Organization also maintains an employee severance pay fund for eligible employees working in Israel as required by Israeli law. In 2017, the provision for employee severance pay was \$439,570 calculated on the basis of one month's salary multiplied by years of employment for each employee. The liability for employee severance pay at December 31, 2017 was \$3,431.

### Note 10 - Concentrations of risk:

Financial instruments that potentially subject the Organization to concentrations of credit risk consist primarily of cash and cash equivalents held in bank accounts, and investments in marketable securities held in brokerage accounts. At various times during the year, the cash and investment balances may exceed the Federal Deposit Insurance Corporation (FDIC) limits or the Securities Investor Protection Corporation (SIPC) limits. The Organization maintains its cash and investment accounts with significant 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.

### Note 11 - Fair Value:

#### Fair value of financial instruments:

The Organization values its financial assets and liabilities based on the price that would be received to sell an asset or pay to transfer a liability in an orderly transaction between market participants at the measurement date. In order to increase consistency and comparability in fair value measurements, a fair value hierarchy that prioritizes observable and unobservable inputs is used to measure fair value into three broad levels, which are described below:

- Level 1:** Quoted prices (unadjusted) in active markets that are accessible at the measurement date for identical assets or liabilities. The hierarchy gives the highest priority to Level 1 inputs.
- Level 2:** Observable inputs other than Level 1 prices such as quoted market prices for similar assets or liabilities; quoted market prices in inactive markets; or model derived valuations in which all significant inputs are observable or can be derived principally from or corroborated with observable market data.
- Level 3:** Unobservable inputs are used when little or no market data is available. The fair value hierarchy gives the lowest priority to Level 3 inputs.

**NORTH AMERICAN CONFERENCE ON ETHIOPIAN JEWRY, INC. AND AFFILIATE**

**NOTES TO COMBINED FINANCIAL STATEMENTS**

**Note 12 - Uncertainties:**

**Uncertainty in income taxes:**

**The Organization had no uncertain tax positions as of December 31, 2017, in accordance with Accounting Standards Codification Topic 740 - Income Taxes, which provides standards for establishing and classifying any tax provisions for uncertain tax positions.**

**Note 13 - Evaluation of subsequent events:**

**The Organization has evaluated subsequent events through October 31, 2018, the financial statement issuance date. The financial statements include all events or transactions, including estimates, required to be recognized in accordance with accounting principles generally accepted in the United States of America. The Organization has determined that there are no unrecognized subsequent events that require additional disclosure.**

\* \* \* \* \*