

**COMMITTEE FOR ACCURACY IN MIDDLE EAST
REPORTING IN AMERICA, INC. AND SUBSIDIARY**



**CONSOLIDATED FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION**

Years Ended December 31, 2015 and 2014

COMMITTEE FOR ACCURACY IN MIDDLE EAST REPORTING IN AMERICA, INC. AND SUBSIDIARY

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Committee for Accuracy in Middle East Reporting in America, Inc. and Subsidiary
Allston, Massachusetts

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of Committee for Accuracy in Middle East Reporting in America, Inc. and Subsidiary, which comprise the consolidated statements of financial position as of December 31, 2015 and 2014, and the related consolidated statements of activities and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated 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 consolidated financial statements based on our audits. We conducted our audits in accordance with accounting principles 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatements of the consolidated 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 consolidated 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 consolidated financial statements.

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

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Committee for Accuracy in Middle East Reporting in America, Inc. and Subsidiary as of December 31, 2015 and 2014, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplementary information included in the accompanying consolidating statements of financial position, consolidating statements of activities, consolidated schedules of functional expenses and schedules of special event is presented for purposes of additional analysis and is not a required part of the basic consolidated 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 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statement or to the consolidated financial statements themselves, and other additional procedures in accordance with U.S. generally accepted auditing standards. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Johnson O'Connor Feron & Carucci LLP

Wakefield, Massachusetts

October 31, 2016

COMMITTEE FOR ACCURACY IN MIDDLE EAST REPORTING IN AMERICA, INC. AND SUBSIDIARY

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

December 31, 2015 and 2014

ASSETS

	<u>2015</u>	<u>2014</u>
Cash and cash equivalents	\$ 1,496,763	\$ 1,194,541
Investments	5,738,954	6,344,495
Pledges receivable, net	11,238	57,370
Interest receivable	18,691	18,077
Inventory	24,124	24,124
Prepaid expenses	93,076	72,184
Deposit	10,613	10,613
Property and equipment, net	23,705	26,591
Design and production costs, net	27,882	33,271
Trademark	1,639	1,639
	<u>\$ 7,446,685</u>	<u>\$ 7,782,905</u>
Total assets		

LIABILITIES AND NET ASSETS

LIABILITIES

Accounts payable	\$ 59,882	\$ 108,038
Accrued expenses	108,773	69,814
Agency funds	236,826	64,549
Travel deposits	15,500	14,600
Deferred special event	50,000	-
Total liabilities	<u>470,981</u>	<u>257,001</u>

NET ASSETS

Unrestricted	6,815,704	7,504,277
Temporarily restricted	160,000	21,627
Total net assets	<u>6,975,704</u>	<u>7,525,904</u>
Total liabilities and net assets	<u>\$ 7,446,685</u>	<u>\$ 7,782,905</u>

See notes to consolidated financial statements.

COMMITTEE FOR ACCURACY IN MIDDLE EAST REPORTING IN AMERICA, INC. AND SUBSIDIARY

CONSOLIDATED STATEMENT OF ACTIVITIES

Year Ended December 31, 2015

	<u>Total</u>	<u>Unrestricted</u>	<u>Temporarily Restricted</u>
REVENUES AND GAINS			
Contributions and dues	<u>\$ 3,305,670</u>	<u>\$ 2,897,366</u>	<u>\$ 408,304</u>
Special event revenue	891,522	891,522	-
Less: Direct costs of event	<u>(283,849)</u>	<u>(283,849)</u>	<u>-</u>
Net revenue from special event	<u>607,673</u>	<u>607,673</u>	<u>-</u>
Unrealized depreciation in market value of investments	(295,347)	(295,347)	-
Realized gain on sale of investments	322,558	322,558	-
Interest and dividend income	110,546	110,546	-
Rental of lists	12,322	12,322	-
Net assets released from restriction	<u>-</u>	<u>269,931</u>	<u>(269,931)</u>
Total revenues and gains	<u>4,063,422</u>	<u>3,925,049</u>	<u>138,373</u>
EXPENSES			
Program services	<u>3,946,059</u>	<u>3,946,059</u>	<u>-</u>
Supporting services -			
Management and general	332,796	332,796	-
Fundraising	<u>334,767</u>	<u>334,767</u>	<u>-</u>
Total supporting services	<u>667,563</u>	<u>667,563</u>	<u>-</u>
Total expenses	<u>4,613,622</u>	<u>4,613,622</u>	<u>-</u>
Change in net assets	(550,200)	(688,573)	138,373
NET ASSETS - BEGINNING OF YEAR	<u>7,525,904</u>	<u>7,504,277</u>	<u>21,627</u>
NET ASSETS - END OF YEAR	<u>\$ 6,975,704</u>	<u>\$ 6,815,704</u>	<u>\$ 160,000</u>

See notes to consolidated financial statements.

COMMITTEE FOR ACCURACY IN MIDDLE EAST REPORTING IN AMERICA, INC. AND SUBSIDIARY

CONSOLIDATED STATEMENT OF ACTIVITIES

Year Ended December 31, 2014

	<u>Total</u>	<u>Unrestricted</u>	<u>Temporarily Restricted</u>
REVENUES AND GAINS			
Contributions and dues	<u>\$ 3,904,764</u>	<u>\$ 3,690,844</u>	<u>\$ 213,920</u>
Special event revenue	1,032,026	1,032,026	-
Less: Direct costs of event	<u>(305,705)</u>	<u>(305,705)</u>	<u>-</u>
Net revenue from special event	<u>726,321</u>	<u>726,321</u>	<u>-</u>
Unrealized appreciation in market value of investments	355,481	355,481	-
Realized gain on sale of investments	280,254	280,254	-
Interest and dividend income	139,251	139,251	-
Rental of lists	12,452	12,452	-
Net assets released from restriction	<u>-</u>	<u>308,986</u>	<u>(308,986)</u>
Total revenues and gains	<u>5,418,523</u>	<u>5,513,589</u>	<u>(95,066)</u>
EXPENSES			
Program services	<u>4,534,340</u>	<u>4,534,340</u>	<u>-</u>
Supporting services -			
Management and general	310,841	310,841	-
Fundraising	<u>317,189</u>	<u>317,189</u>	<u>-</u>
Total supporting services	<u>628,030</u>	<u>628,030</u>	<u>-</u>
Total expenses	<u>5,162,370</u>	<u>5,162,370</u>	<u>-</u>
Change in net assets	256,153	351,219	(95,066)
NET ASSETS - BEGINNING OF YEAR	<u>7,269,751</u>	<u>7,153,058</u>	<u>116,693</u>
NET ASSETS - END OF YEAR	<u><u>\$ 7,525,904</u></u>	<u><u>\$ 7,504,277</u></u>	<u><u>\$ 21,627</u></u>

See notes to consolidated financial statements.

COMMITTEE FOR ACCURACY IN MIDDLE EAST REPORTING IN AMERICA, INC. AND SUBSIDIARY

CONSOLIDATED STATEMENTS OF CASH FLOWS

Years Ended December 31, 2015 and 2014

	<u>2015</u>	<u>2014</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (550,200)	\$ 256,153
Adjustments to reconcile change in net assets to net cash used by operating activities:		
Depreciation and amortization	19,787	20,025
Unrealized depreciation (appreciation) in market value of investments	295,347	(355,481)
Realized gain on sale of investments	(322,558)	(280,254)
Donated investments	(128,428)	(155,734)
Foreign currency translation adjustment	1,870	3,598
(Increase) decrease in operating assets:		
Pledges receivable	46,132	(10,050)
Interest receivable	(614)	(2,464)
Inventory	-	312
Prepaid expenses	(20,892)	9,655
Deposit	-	(10,613)
Increase (decrease) in operating liabilities:		
Accounts payable	(48,156)	21,442
Accrued expenses	37,089	(13,904)
Agency funds	172,277	(104,329)
Travel deposits	900	(3,800)
Deferred special event	50,000	-
Net cash used by operating activities	<u>(447,446)</u>	<u>(625,444)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of investments	1,303,290	1,072,337
Proceeds from maturity of investment	-	126,696
Purchase of investments	(542,110)	(513,183)
Purchase of property and equipment	(2,562)	(392)
Purchase of design and production costs	(8,950)	-
Net cash provided by investing activities	<u>749,668</u>	<u>685,458</u>
Net increase in cash and cash equivalents	302,222	60,014
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>1,194,541</u>	<u>1,134,527</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 1,496,763</u>	<u>\$ 1,194,541</u>

See notes to consolidated financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Years Ended December 31, 2015 and 2014

1. STATEMENT OF PURPOSE

Committee for Accuracy in Middle East Reporting in America, Inc. (CAMERA) is a national media-monitoring organization, founded in 1982 under the laws of the State of Maryland, that works to promote more accurate, balanced and complete coverage of Israel and the Middle East. Aware of the vital role of the mass media in shaping public perception and public policy, CAMERA seeks to educate both journalists and news consumers about the complex issues related to achieving peace in the Middle East. CAMERA is a non-profit tax-exempt organization under Section 501(c)(3) of the United States Internal Revenue Code and relies on donations from the general public.

CAMERA/Presspectiva (the Subsidiary) is a related entity located in Jerusalem, founded in 2012 under the laws of Israel. The purpose of the Subsidiary is to act as a review body for accurate and ethical reporting through the internet on the Israel-Arab conflict in the Hebrew language. The Subsidiary is supported primarily through contributions from CAMERA. CAMERA also has the ability to appoint and dismiss members of the Subsidiary.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of Consolidation –

The accompanying consolidated financial statements include the accounts of Committee for Accuracy in Middle East Reporting in America, Inc. and CAMERA/Presspectiva (collectively, the Organization). All significant intercompany balances and transactions have been eliminated in the consolidated financial statements.

Method of Accounting –

The Organization reports information regarding its financial position and activities according to the following three classes of net assets:

- i. Unrestricted Net Assets – use of resources is not limited or restricted by donors.
- ii. Temporarily Restricted Net Assets – use of resources is limited by donors for a specified purpose and/or time period.
- iii. Permanently Restricted Net Assets – resources must be maintained in accordance with permanent restrictions imposed by donors.

The Organization reports gifts of cash and other assets 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, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities as net assets released from restrictions.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Years Ended December 31, 2015 and 2014

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Method of Accounting (Concluded) –

The Organization reports gifts of land, buildings and equipment as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

It is the Organization's policy to report all gifts with restrictions that are met in the same year the contributions are made as unrestricted revenue. Additionally, gains and investment income are treated as unrestricted revenue unless specifically restricted by the donor or by law.

Use of Estimates –

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

Foreign Currency Translation –

The statements of financial position of the international Subsidiary are translated into U.S. dollars using the exchange rate at each balance sheet date for assets and liabilities. The statements of activities of the international Subsidiary are translated into U.S. dollars based on weighted-average rates of exchange prevailing during the year. Translation adjustments are recorded in the accompanying statements of activities. Accumulated translation adjustments included in net assets for the years ended December 31, 2015 and 2014 were \$2,513 and \$643, respectively.

Management's Review –

Subsequent events have been evaluated by management through October 31, 2016, the date the financial statements were available to be issued.

Cash and Cash Equivalents –

Investments with a maturity of three months or less when purchased are considered to be cash equivalents for financial statement purposes. Also included as cash equivalents are money market funds earning standard money markets rates, which fluctuate with the market.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Years Ended December 31, 2015 and 2014

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Pledges Receivable –

Unconditional pledges receivable are recorded as contribution income in the statement of activities in the year pledged. The Organization uses the allowance method to account for uncollectible pledges. The allowance is based on management's estimate of possible uncollectible pledges. Management has established an allowance for uncollectible pledges of \$3,250 and \$7,149 as of December 31, 2015 and 2014, respectively.

The Organization discounts pledges that are not fully collectible within one year to their present value; these discounts are ratably amortized over the life of the pledge. Conditional pledges are not recorded until the conditions specified by the donor are met.

Inventory –

Inventory consisting of brochures, publications and videos has been recorded at cost.

Investments –

Investments are carried at fair market value based on quoted market prices. Changes in fair market value are reflected in the statement of activities. Investment income and gains restricted by donors are reported as increases in unrestricted net assets if the restrictions are met (either by passage of time or by use) in the reporting period in which the income and gains are recognized.

Property and Equipment –

Property and equipment are recorded at cost if purchased or fair value if contributed. Routine maintenance and repairs are charged as a current expense. The Organization has a policy of capitalizing assets with a cost basis of \$1,000 or more. The Organization provides for depreciation of property and equipment using the straight-line method over periods of three to fifteen years.

Design and Production Costs –

The Organization's policy is to amortize design and production costs using the straight-line method over the estimated useful life of the production, which is three years.

Non-Cash Donations –

The Organization's non-cash donations consist primarily of donated marketable securities, artwork, materials, equipment, and professional services. Donations of marketable securities are recorded at fair market value based on quoted market prices at the date of donation. Donations of artwork, materials, and equipment are recorded at fair market value based on the price of comparable items at the date of donation.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Years Ended December 31, 2015 and 2014

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Non-Cash Donations (Concluded) –

When significant, donations of professional services are recorded at their estimated fair market value based on the current fee schedule of the donor at the date of receipt and are reflected as both a contribution and expense in the statement of activities.

Functional Expenses –

The Organization allocates expenses on a functional basis among its programs and supporting services. Supporting services are those related to operating and managing the Organization and its programs on a day-to-day basis and are composed of the following:

Management and general – includes all activities related to the Organization's internal management and accounting for program services.

Fundraising – includes activities related to maintaining contributor information, writing grant proposals, distribution of materials and other similar projects related to the procurement of funds for the Organization's programs.

Expenses that can be identified with a specific program or supporting service are allocated directly to those classifications. Other expenses that are common to several functions are allocated in accordance with the Organization's indirect costs allocation plan. Allocations of functional expenses are based on management's discretion and estimates. These variables may change from year to year. As a result, there may be fluctuations in the comparative presentation of data from year to year.

Income Taxes –

The Organization is organized and operated exclusively for charitable and educational purposes. Income related to these purposes is exempt from federal and state income taxes under the provisions of Section 501(c)(3) of the Internal Revenue Code. Unrelated business income would be taxable according to applicable Internal Revenue Code sections.

The Organization regularly reviews and evaluates its tax positions taken in its filed returns and recognizes the benefit from a tax position only if it is more likely than not that the position would be sustained upon audit based solely on the technical merits of the tax position. The Organization accrues interest and penalties on uncertain tax positions as a component of the provision for income taxes.

The Organization files federal, California, Florida, Massachusetts and New York tax returns. The statute of limitations for these jurisdictions is generally three years. The Organization had no returns under examination as of December 31, 2015.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Years Ended December 31, 2015 and 2014

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Concluded)

Advertising Expense –

The Organization’s policy is to expense advertising costs as incurred. Advertising expense for the years ended December 31, 2015 and 2014 was \$166,884 and \$756,973, respectively.

Joint Costs –

The Organization’s policy is to allocate costs of multi-purpose materials that include fundraising appeals to fundraising, management and general, and program services. Acquisition mailings, annual appeal mailings and renewal mailings are considered joint costs, and management determines the extent of the fundraising allocation based on the content of each publication.

Reclassifications –

Certain amounts in the prior year’s financial statements have been reclassified for comparative purposes to conform to the presentation in the current year’s financial statements. These reclassifications have no effect on the previously reported change in net assets.

3. CONCENTRATION OF CREDIT RISK

Financial instruments that potentially subject the Organization to concentrations of credit risk consist principally of cash and cash equivalents. The Organization maintains its cash in several bank deposit and investment accounts, which at times may exceed the federally insured limits. The Organization has not experienced any losses in such accounts and believes it is not exposed to any significant credit risks on cash and cash equivalents.

4. PLEDGES RECEIVABLE

As of December 31, 2015 and 2014, pledges receivable are due to be collected as follows:

	<u>2015</u>	<u>2014</u>
Amounts due in:		
Less than one year	\$ 14,488	\$ 64,519
Less: Reserve for doubtful accounts	<u>(3,250)</u>	<u>(7,149)</u>
	<u>\$ 11,238</u>	<u>\$ 57,370</u>

Management has established a reserve for uncollectible pledges as noted above.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Years Ended December 31, 2015 and 2014**5. INVESTMENTS**

Investments at December 31, 2015 and 2014 consisted of the following:

	<u>December 31, 2015</u>		<u>December 31, 2014</u>	
	<u>Cost</u>	<u>Market Value</u>	<u>Cost</u>	<u>Market Value</u>
Exchange traded funds	\$ 2,947,032	\$ 4,762,506	\$ 2,915,759	\$ 4,971,265
Corporate bonds	204,502	218,473	356,934	373,701
Equities	284,975	367,672	393,781	555,156
Mutual funds	400,252	390,303	450,252	444,373
	<u>\$ 3,836,761</u>	<u>\$ 5,738,954</u>	<u>\$ 4,116,726</u>	<u>\$ 6,344,495</u>

6. FAIR VALUE MEASUREMENTS

The Organization's fair value measurements are classified into one of the three following categories based on the measurement inputs:

Level 1 inputs are quoted prices in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date. An active market for the asset or liability is a market in which transactions for the asset or liability occur with sufficient frequency and volume to provide pricing information on an ongoing basis.

Level 2 inputs are inputs that are observable for the asset or liability, either directly or indirectly, other than quoted prices included within Level 1. Level 2 inputs include quoted prices for similar assets or liabilities in active markets, inputs other than quoted prices that are observable for the asset or liability (e.g., interest rates and yield curves observable at commonly quoted intervals or current market) and contractual prices for the underlying financial instrument, as well as other relevant economic measures.

Level 3 inputs are unobservable inputs for the asset or liability. Unobservable inputs are used to measure fair value to the extent that observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at the measurement date. Unobservable inputs reflect the reporting entity's own assumptions about the assumptions that market participants would use in pricing the asset or liability (including assumptions about risk).

COMMITTEE FOR ACCURACY IN MIDDLE EAST REPORTING IN AMERICA, INC. AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Years Ended December 31, 2015 and 2014

6. FAIR VALUE MEASUREMENTS (Continued)

Assets and liabilities measured at fair value are based on one or more of three valuation techniques. The three valuation techniques are as follows:

- Market approach - Prices and other relevant information generated by market transactions involving identical or comparable assets and liabilities.
- Cost approach - Amount that would be required to replace the service capacity of an asset (replacement cost).
- Income approach - Techniques to convert future amounts to a single present amount based on market expectations (including present value techniques and excess earnings models).

The following table summarizes the Organization's fair value hierarchy for its financial assets measured at fair value on a recurring basis as of December 31, 2015:

Description of Assets	Total	Level 1	Level 2	Level 3
Exchange traded funds	\$ 4,762,506	\$ 4,762,506	\$ -	\$ -
Corporate bonds:				
Domestic	118,318	118,318	-	-
International	100,155	100,155	-	-
Total corporate bonds	218,473	218,473	-	-
Equities:				
Financial	214,921	214,921	-	-
Technology	131,142	131,142	-	-
Entertainment	11,922	11,922	-	-
Telecommunications	9,687	9,687	-	-
Energy	-	-	-	-
Healthcare	-	-	-	-
Consumer goods	-	-	-	-
Total equities	367,672	367,672	-	-
Mutual Funds:				
Bonds	196,740	196,740	-	-
Bank loan	193,563	193,563	-	-
International	-	-	-	-
Total mutual funds	390,303	390,303	-	-
Total assets measured at fair value	\$ 5,738,954	\$ 5,738,954	\$ -	\$ -

COMMITTEE FOR ACCURACY IN MIDDLE EAST REPORTING IN AMERICA, INC. AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Years Ended December 31, 2015 and 2014

6. FAIR VALUE MEASUREMENTS (Concluded)

The following table summarizes the Organization's fair value hierarchy for its financial assets measured at fair value on a recurring basis as of December 31, 2014:

<u>Description of Assets</u>	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Exchange traded funds	<u>\$ 4,971,265</u>	<u>\$ 4,971,265</u>	<u>\$ -</u>	<u>\$ -</u>
Corporate bonds:				
Domestic	269,676	269,676	-	-
International	<u>104,025</u>	<u>104,025</u>	<u>-</u>	<u>-</u>
Total corporate bonds	<u>373,701</u>	<u>373,701</u>	<u>-</u>	<u>-</u>
Equities:				
Financial	237,402	237,402	-	-
Technology	81,802	81,802	-	-
Entertainment	12,232	12,232	-	-
Telecommunications	-	-	-	-
Energy	101,610	101,610	-	-
Healthcare	44,030	44,030	-	-
Consumer goods	<u>78,080</u>	<u>78,080</u>	<u>-</u>	<u>-</u>
Total equities	<u>555,156</u>	<u>555,156</u>	<u>-</u>	<u>-</u>
Mutual funds:				
Bonds	198,603	198,603	-	-
Bank loan	197,724	197,724	-	-
International	<u>48,046</u>	<u>48,046</u>	<u>-</u>	<u>-</u>
Total mutual funds	<u>444,373</u>	<u>444,373</u>	<u>-</u>	<u>-</u>
Total assets measured at fair value	<u>\$ 6,344,495</u>	<u>\$ 6,344,495</u>	<u>\$ -</u>	<u>\$ -</u>

COMMITTEE FOR ACCURACY IN MIDDLE EAST REPORTING IN AMERICA, INC. AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Years Ended December 31, 2015 and 2014

7. PROPERTY AND EQUIPMENT

Property and equipment at December 31, 2015 and 2014 consisted of the following:

	<u>2015</u>	<u>2014</u>
Computers, software, and equipment	\$ 160,861	\$ 158,753
Furniture and fixtures	37,150	36,696
Leasehold improvements	12,140	12,140
	<u>210,151</u>	<u>207,589</u>
Less: Accumulated depreciation	186,446	180,998
	<u>\$ 23,705</u>	<u>\$ 26,591</u>

Depreciation expense related to property and equipment for the years ended December 31, 2015 and 2014 was \$5,448 and \$5,686, respectively.

8. DESIGN AND PRODUCTION COSTS

Website design and production costs include costs associated with the initial implementation of the website, development of new websites, and the Organization's educational DVD and are reported net of accumulated amortization. Amortization expense for the years ended December 31, 2015 and 2014 was \$14,339 and \$14,339, respectively.

Design and production costs at December 31, 2015 and 2014 consisted of the following:

	<u>2015</u>	<u>2014</u>
Website	\$ 96,586	\$ 87,636
Spanish website	61,871	61,871
Student website	16,751	16,751
DVD production costs	12,041	12,041
1948 website	6,265	6,265
Eyes on Israel	4,285	4,285
Presspectiva website	3,379	3,379
	<u>201,178</u>	<u>192,228</u>
Less: Accumulated amortization	173,296	158,957
	<u>\$ 27,882</u>	<u>\$ 33,271</u>

COMMITTEE FOR ACCURACY IN MIDDLE EAST REPORTING IN AMERICA, INC. AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Years Ended December 31, 2015 and 2014

8. DESIGN AND PRODUCTION COSTS (Concluded)

Estimated future amortization expense associated with the Organization's website design and production costs is as follows:

Year ending December 31, 2016	\$	12,747
2017		7,567
2018		7,568
		<u>27,882</u>
	\$	<u>27,882</u>

9. AGENCY FUNDS

In accordance with donor requests, the Organization acts as a fiscal agent of funds held for the benefit of other organizations. There are no formal agreements related to the funds held by the Organization. The assets and liabilities for the agency funds were \$236,826 and \$64,549 as of December 31, 2015 and 2014, respectively.

10. RESTRICTED NET ASSETS

Temporarily restricted net assets included the following at December 31, 2015 and 2014:

	<u>2015</u>	<u>2014</u>
Camera on Campus	\$ 100,000	\$ -
Birthright Project	30,000	21,627
2016 Conference	30,000	-
	<u>\$ 160,000</u>	<u>\$ 21,627</u>

There were no permanently restricted net assets as of December 31, 2015 and 2014.

COMMITTEE FOR ACCURACY IN MIDDLE EAST REPORTING IN AMERICA, INC. AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Years Ended December 31, 2015 and 2014

10. RESTRICTED NET ASSETS (Concluded)

Certain temporarily restricted assets were released from restriction during the years ended December 31, 2015 and 2014 by satisfaction of the restricted purpose specified by the donor, and were reclassified as unrestricted net assets as follows:

	<u>2015</u>	<u>2014</u>
Camera on Campus	\$ 229,931	\$ -
Birthright Project	40,000	66,999
Campus Activist Project	-	241,987
	<u>\$ 269,931</u>	<u>\$ 308,986</u>

11. JOINT COSTS

Activities related to direct mailings, which include postage, production and printing costs, included joint costs of \$54,017 and \$96,508 for the years ended December 31, 2015 and 2014, which were not specifically identifiable to either the program component or the fundraising component of the activities. Of these joint costs, \$13,016 and \$22,648 was allocated to fundraising in 2015 and 2014, respectively, and the balance was allocated to program activities.

12. RETIREMENT PLAN

The Organization sponsors a qualified retirement plan for all eligible employees, whereby employees may elect to defer a portion of their salary on a pre-tax basis. If the deferral is less than 6% of the salary, the Organization matches 50% of the deferral, and if the deferral is greater than or equal to 6% of the salary, the match equals 3% of the salary. Matching contributions for the years ended December 31, 2015 and 2014 totaled \$32,098 and \$29,478, respectively.

13. COMMITMENTS

The Organization is currently leasing space for its operations on a month-to-month basis. Monthly payments are \$9,786 with provisions for escalations based on increases in real estate taxes.

The Organization also pays rent for office space and utilities for individual employees who may work outside of Massachusetts. There are no long-term commitments associated with these arrangements.

The Organization leases office equipment under an operating agreement with a term of 60 months, which ended in December of 2015, subject to total monthly rent of \$476. The Organization signed a new five year lease for office equipment in December of 2015, subject to total monthly rent of \$507.

COMMITTEE FOR ACCURACY IN MIDDLE EAST REPORTING IN AMERICA, INC. AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Years Ended December 31, 2015 and 2014

13. COMMITMENTS (Concluded)

The Subsidiary leases an office in Israel under a lease agreement expiring October 31, 2017. The lease agreement requires quarterly payments of \$10,629 through October 31, 2016 and quarterly payments of \$11,067 through October 31, 2017. For securing the lease agreement, the Subsidiary deposited in the bank \$10,629 in a long term deposit pledged for the purpose of a bank guarantee given to the landlord of the property.

The Organization entered into a new lease agreement on October 11, 2016 for an office in Newton, MA. This lease expires 10 years after the rent commencement date, which is expected to be September 1, 2017. The monthly payments will be between \$18,975 and \$22,688. For securing the lease agreement, the Organization deposited \$18,975 to the landlord.

Future minimal rental payments required under the operating lease agreements are as follows:

Year ending December 31, 2016	\$ 48,888
2017	118,870
2018	235,430
2019	240,380
2020	245,330
Thereafter	<u>1,720,950</u>
	<u>\$ 2,609,848</u>

Rent expense for the years ended December 31, 2015 and 2014 totaled \$194,831 and \$198,973, respectively.

14. RELATED PARTY TRANSACTIONS

The Organization receives donated investment advisory, computer and network services provided by companies owned by certain members of the Board of Directors. The Organization recognized approximately \$32,000 for donated investment advisory services and approximately \$12,000 for donated computer and network services for the years ended December 31, 2015 and 2014, respectively.

SUPPLEMENTARY INFORMATION

COMMITTEE FOR ACCURACY IN MIDDLE EAST REPORTING IN AMERICA, INC. AND SUBSIDIARY

CONSOLIDATING STATEMENT OF FINANCIAL POSITION

December 31, 2015

	ASSETS			
	<u>CAMERA</u>	<u>CAMERA/ Presspectiva</u>	<u>Eliminating Entries</u>	<u>Consolidated Totals</u>
Cash and cash equivalents	\$ 1,465,126	\$ 31,637	\$ -	\$ 1,496,763
Investments	5,738,954	-	-	5,738,954
Pledges receivable, net	11,238	-	-	11,238
Interest receivable	18,691	-	-	18,691
Inventory	24,124	-	-	24,124
Prepaid expenses	76,248	16,828	-	93,076
Deposit	-	10,613	-	10,613
Property and equipment, net	4,530	19,175	-	23,705
Design and production costs, net	27,161	721	-	27,882
Trademark	1,639	-	-	1,639
	<u>\$ 7,367,711</u>	<u>\$ 78,974</u>	<u>\$ -</u>	<u>\$ 7,446,685</u>
Total assets				

LIABILITIES AND NET ASSETS

LIABILITIES

Accounts payable	\$ 57,313	\$ 2,569	\$ -	\$ 59,882
Accrued expenses	82,491	26,282	-	108,773
Agency funds	236,826	-	-	236,826
Travel deposits	15,500	-	-	15,500
Deferred special event	50,000	-	-	50,000
Total liabilities	<u>442,130</u>	<u>28,851</u>	<u>-</u>	<u>470,981</u>

NET ASSETS

Unrestricted	6,765,581	50,123	-	6,815,704
Temporarily restricted	160,000	-	-	160,000
Total net assets	<u>6,925,581</u>	<u>50,123</u>	<u>-</u>	<u>6,975,704</u>
Total liabilities and net assets	<u>\$ 7,367,711</u>	<u>\$ 78,974</u>	<u>\$ -</u>	<u>\$ 7,446,685</u>

See independent auditors' report.

COMMITTEE FOR ACCURACY IN MIDDLE EAST REPORTING IN AMERICA, INC. AND SUBSIDIARY

CONSOLIDATING STATEMENT OF FINANCIAL POSITION

December 31, 2014

	ASSETS			
	<u>CAMERA</u>	<u>CAMERA/ Presspectiva</u>	<u>Eliminating Entries</u>	<u>Consolidated Totals</u>
Cash and cash equivalents	\$ 1,181,342	\$ 13,199	\$ -	\$ 1,194,541
Investments	6,344,495	-	-	6,344,495
Pledges receivable, net	57,370	-	-	57,370
Interest receivable	18,077	-	-	18,077
Inventory	24,124	-	-	24,124
Prepaid expenses	52,188	19,996	-	72,184
Deposit	-	10,613	-	10,613
Property and equipment, net	3,794	22,797	-	26,591
Design and production costs, net	31,559	1,712	-	33,271
Trademark	1,639	-	-	1,639
	<u>\$ 7,714,588</u>	<u>\$ 68,317</u>	<u>\$ -</u>	<u>\$ 7,782,905</u>
Total assets				

LIABILITIES AND NET ASSETS

LIABILITIES

Accounts payable	\$ 104,980	\$ 3,058	\$ -	\$ 108,038
Accrued expenses	56,388	13,426	-	69,814
Agency funds	64,549	-	-	64,549
Travel deposits	14,600	-	-	14,600
Deferred special event	-	-	-	-
Total liabilities	<u>240,517</u>	<u>16,484</u>	<u>-</u>	<u>257,001</u>

NET ASSETS

Unrestricted	7,452,444	51,833	-	7,504,277
Temporarily restricted	21,627	-	-	21,627
Total net assets	<u>7,474,071</u>	<u>51,833</u>	<u>-</u>	<u>7,525,904</u>
Total liabilities and net assets	<u>\$ 7,714,588</u>	<u>\$ 68,317</u>	<u>\$ -</u>	<u>\$ 7,782,905</u>

See independent auditors' report.

COMMITTEE FOR ACCURACY IN MIDDLE EAST REPORTING IN AMERICA, INC. AND SUBSIDIARY

CONSOLIDATING STATEMENT OF ACTIVITIES

Year Ended December 31, 2015

	<u>CAMERA</u>	<u>CAMERA/ Presspectiva</u>	<u>Eliminating Entries</u>	<u>Consolidated Totals</u>
REVENUES AND GAINS				
Contributions and dues	<u>\$ 3,305,160</u>	<u>\$ 364,445</u>	<u>\$ (363,935)</u>	<u>\$ 3,305,670</u>
Special event revenue	891,522	-	-	891,522
Less: Direct costs of event	<u>(283,849)</u>	<u>-</u>	<u>-</u>	<u>(283,849)</u>
Net revenue from special event	<u>607,673</u>	<u>-</u>	<u>-</u>	<u>607,673</u>
Unrealized depreciation in market value of investments	(295,347)	-	-	(295,347)
Realized gain on sale of investments	322,558	-	-	322,558
Interest and dividend income	110,546	-	-	110,546
Rental of lists	<u>12,322</u>	<u>-</u>	<u>-</u>	<u>12,322</u>
Total revenues and gains	<u>4,062,912</u>	<u>364,445</u>	<u>(363,935)</u>	<u>4,063,422</u>
EXPENSES				
Program services	<u>3,994,650</u>	<u>315,344</u>	<u>(363,935)</u>	<u>3,946,059</u>
Supporting services -				
Management and general	281,985	50,811	-	332,796
Fundraising	<u>334,767</u>	<u>-</u>	<u>-</u>	<u>334,767</u>
Total supporting services	<u>616,752</u>	<u>50,811</u>	<u>-</u>	<u>667,563</u>
Total expenses	<u>4,611,402</u>	<u>366,155</u>	<u>(363,935)</u>	<u>4,613,622</u>
Change in net assets	(548,490)	(1,710)	-	(550,200)
NET ASSETS - BEGINNING OF YEAR	<u>7,474,071</u>	<u>51,833</u>	<u>-</u>	<u>7,525,904</u>
NET ASSETS - END OF YEAR	<u>\$ 6,925,581</u>	<u>\$ 50,123</u>	<u>\$ -</u>	<u>\$ 6,975,704</u>

See independent auditors' report.

COMMITTEE FOR ACCURACY IN MIDDLE EAST REPORTING IN AMERICA, INC. AND SUBSIDIARY

CONSOLIDATING STATEMENT OF ACTIVITIES

Year Ended December 31, 2014

	<u>CAMERA</u>	<u>CAMERA/ Presspectiva</u>	<u>Eliminating Entries</u>	<u>Consolidated Totals</u>
REVENUES AND GAINS				
Contributions and dues	<u>\$ 3,904,415</u>	<u>\$ 366,716</u>	<u>\$ (366,367)</u>	<u>\$ 3,904,764</u>
Special event revenue	1,032,026	-	-	1,032,026
Less: Direct costs of event	<u>(305,705)</u>	<u>-</u>	<u>-</u>	<u>(305,705)</u>
Net revenue from special event	<u>726,321</u>	<u>-</u>	<u>-</u>	<u>726,321</u>
Unrealized appreciation in market value of investments	355,481	-	-	355,481
Realized gain on sale of investments	280,254	-	-	280,254
Interest and dividend income	139,251	-	-	139,251
Rental of lists	<u>12,452</u>	<u>-</u>	<u>-</u>	<u>12,452</u>
Total revenues and gains	<u>5,418,174</u>	<u>366,716</u>	<u>(366,367)</u>	<u>5,418,523</u>
EXPENSES				
Program services	<u>4,567,710</u>	<u>332,997</u>	<u>(366,367)</u>	<u>4,534,340</u>
Supporting services -				
Management and general	266,784	44,057	-	310,841
Fundraising	<u>317,189</u>	<u>-</u>	<u>-</u>	<u>317,189</u>
Total supporting services	<u>583,973</u>	<u>44,057</u>	<u>-</u>	<u>628,030</u>
Total expenses	<u>5,151,683</u>	<u>377,054</u>	<u>(366,367)</u>	<u>5,162,370</u>
Change in net assets	266,491	(10,338)	-	256,153
NET ASSETS - BEGINNING OF YEAR	<u>7,207,580</u>	<u>62,171</u>	<u>-</u>	<u>7,269,751</u>
NET ASSETS - END OF YEAR	<u><u>\$ 7,474,071</u></u>	<u><u>\$ 51,833</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 7,525,904</u></u>

See independent auditors' report.

COMMITTEE FOR ACCURACY IN MIDDLE EAST REPORTING IN AMERICA, INC. AND SUBSIDIARY

CONSOLIDATED SCHEDULE OF FUNCTIONAL EXPENSES

Year Ended December 31, 2015

	<u>Total</u> <u>Expenses</u>	<u>Program</u> <u>Services</u>	<u>Management</u> <u>and General</u>	<u>Fundraising</u>
Payroll	\$ 2,504,941	\$ 2,204,931	\$ 186,861	\$ 113,149
Travel	269,803	268,072	402	1,329
Meetings	267,015	133,508	-	133,507
Insurance	219,112	190,353	17,541	11,218
Rent	194,831	175,443	17,608	1,780
Payroll taxes	176,435	154,487	12,844	9,104
Advertising	166,884	166,884	-	-
Professional fees	154,702	108,068	44,706	1,928
Printing and production costs	145,920	124,032	-	21,888
Honorarium	59,166	59,166	-	-
Public communications - media	55,541	55,541	-	-
Web hosting and internet services	54,256	53,733	-	523
Direct mail and postage	48,594	36,931	-	11,663
Research services	34,969	34,969	-	-
Employee benefits	32,098	28,105	2,337	1,656
Investment advisory fees	32,000	-	32,000	-
Office	30,113	25,054	4,809	250
Telephone	25,514	20,922	1,531	3,061
Fellows program	22,000	22,000	-	-
Equipment lease and maintenance	20,897	17,135	1,254	2,508
Merchant fund fees	19,074	-	-	19,074
Amortization	14,339	12,680	971	688
Utilities	14,253	12,888	1,225	140
Fees and admissions	12,309	11,078	-	1,231
Subscriptions	10,894	10,894	-	-
Books and publications	9,254	9,254	-	-
Bank charges	7,837	-	7,837	-
Depreciation	5,448	4,772	606	70
Conferences	3,553	3,553	-	-
Foreign currency translation adjustment	1,870	1,606	264	-
Licenses and permits	-	-	-	-
Totals	<u>\$ 4,613,622</u>	<u>\$ 3,946,059</u>	<u>\$ 332,796</u>	<u>\$ 334,767</u>

See independent auditors' report.

COMMITTEE FOR ACCURACY IN MIDDLE EAST REPORTING IN AMERICA, INC. AND SUBSIDIARY

CONSOLIDATED SCHEDULE OF FUNCTIONAL EXPENSES

Year Ended December 31, 2014

	<u>Total Expenses</u>	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>
Payroll	\$ 2,451,096	\$ 2,153,444	\$ 192,426	\$ 105,226
Travel	268,450	266,776	349	1,325
Meetings	236,479	139,523	-	96,956
Insurance	224,298	192,038	17,862	14,398
Rent	198,973	179,658	17,988	1,327
Payroll taxes	179,021	154,244	13,212	11,565
Advertising	756,973	756,973	-	-
Professional fees	136,082	123,048	12,568	466
Printing and production costs	127,727	89,409	-	38,318
Honorarium	88,240	88,240	-	-
Public communications - media	68,210	67,105	778	327
Web hosting and internet services	46,601	46,255	-	346
Direct mail and postage	93,244	75,527	-	17,717
Research services	36,044	36,044	-	-
Employee benefits	29,478	25,398	2,176	1,904
Investment advisory fees	32,000	-	32,000	-
Office	30,753	25,387	5,126	240
Telephone	21,431	18,465	1,582	1,384
Fellows program	21,025	21,025	-	-
Equipment lease and maintenance	17,062	15,356	853	853
Merchant fund fees	22,144	-	-	22,144
Amortization	14,339	12,471	934	934
Utilities	8,558	7,739	735	84
Fees and admissions	15,931	14,338	-	1,593
Subscriptions	11,195	11,195	-	-
Books and publications	4,011	4,011	-	-
Bank charges	8,325	-	8,325	-
Depreciation	5,686	4,975	629	82
Conferences	2,518	2,518	-	-
Foreign currency translation adjustment	3,598	3,178	420	-
Licenses and permits	2,878	-	2,878	-
Totals	<u>\$ 5,162,370</u>	<u>\$ 4,534,340</u>	<u>\$ 310,841</u>	<u>\$ 317,189</u>

See independent auditors' report.

COMMITTEE FOR ACCURACY IN MIDDLE EAST REPORTING IN AMERICA, INC. AND SUBSIDIARY

SCHEDULES OF SPECIAL EVENT

Years Ended December 31, 2015 and 2014

	2015 Annual <u>Dinner</u>	2014 Annual <u>Dinner</u>
RECEIPTS	<u>\$ 891,522</u>	<u>\$ 1,032,026</u>
EXPENSES		
Conference	172,796	191,041
Payroll	36,275	40,090
Printing and postage	29,821	19,438
Travel	24,251	19,773
Design costs	18,828	15,352
Other dinner costs	865	133
Photography and video	675	3,428
Honorarium	300	16,450
Advertising	38	-
Total expenses	<u>283,849</u>	<u>305,705</u>
NET INCOME	<u><u>\$ 607,673</u></u>	<u><u>\$ 726,321</u></u>

See independent auditors' report.

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