

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



**CONSOLIDATED FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION**

Years Ended December 31, 2016 and 2015

**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, 2016 and 2015, 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 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 auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the 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 misstatement 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 that 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, 2016 and 2015, and the changes in their net assets and their 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 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 statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Johnson O'Connor Feron & Carucci LLP

Wakefield, Massachusetts
October 10, 2017

**COMMITTEE FOR ACCURACY IN MIDDLE EAST REPORTING IN
AMERICA, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

	December 31,	
	2016	2015
ASSETS		
Cash and cash equivalents	\$ 1,635,139	\$ 1,496,763
Investments	6,278,623	5,738,954
Pledges receivable, net	71,000	11,238
Interest receivable	21,832	18,691
Inventory	24,124	24,124
Prepaid expenses	118,965	93,076
Deposit	30,659	10,613
Property and equipment, net	33,571	23,705
Design and production costs, net	22,813	27,882
Trademark	1,639	1,639
Total assets	\$ 8,238,365	\$ 7,446,685
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable	\$ 43,789	\$ 59,882
Accrued expenses	119,848	108,773
Agency funds	308,904	236,826
Deferred revenue	30,800	15,500
Deferred special event revenue	22,300	50,000
Total liabilities	525,641	470,981
NET ASSETS		
Unrestricted	7,676,724	6,815,704
Temporarily restricted	36,000	160,000
Total net assets	7,712,724	6,975,704
Total liabilities and net assets	\$ 8,238,365	\$ 7,446,685

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, 2016		
	Total	Unrestricted	Temporarily Restricted
REVENUES AND GAINS			
Contributions and dues	\$ 4,202,694	\$ 4,166,694	\$ 36,000
Special event revenue	1,084,518	1,084,518	-
Less: Direct costs of event	(282,447)	(282,447)	-
Net revenue from special event	802,071	802,071	-
Unrealized appreciation in market value of investments	139,452	139,452	-
Realized gain on sale of investments	286,957	286,957	-
Interest and dividend income	109,042	109,042	-
Rental of lists	7,194	7,194	-
Net assets released from restriction	-	160,000	(160,000)
Total revenues and gains	5,547,410	5,671,410	(124,000)
EXPENSES			
Program services	4,072,796	4,072,796	-
<u>Supporting services -</u>			
Management and general	411,381	411,381	-
Fundraising	333,265	333,265	-
Total supporting services	744,646	744,646	-
Total expenses	4,817,442	4,817,442	-
OTHER INCOME	7,052	7,052	-
Change in net assets	737,020	861,020	(124,000)
NET ASSETS - BEGINNING OF YEAR	6,975,704	6,815,704	160,000
NET ASSETS - END OF YEAR	\$ 7,712,724	\$ 7,676,724	\$ 36,000

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

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,	
	2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 737,020	\$ (550,200)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation and amortization	11,915	19,787
Unrealized depreciation (appreciation) in market value of investments	(139,452)	295,347
Realized gain on sale of investments	(286,957)	(322,558)
Donated investments	(128,263)	(128,428)
Foreign currency translation adjustment	(536)	1,870
(Increase) decrease in operating assets:		
Pledges receivable	(59,762)	46,132
Interest receivable	(3,141)	(614)
Prepaid expenses	(25,889)	(20,892)
Deposit	(20,046)	-
Increase (decrease) in operating liabilities:		
Accounts payable	(16,093)	(48,156)
Accrued expenses	11,611	37,089
Agency funds	72,078	172,277
Deferred revenue	15,300	900
Deferred special event revenue	(27,700)	50,000
Net cash provided (used) by operating activities	<u>140,085</u>	<u>(447,446)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of investments	737,554	1,303,290
Purchase of investments	(722,551)	(542,110)
Purchase of property and equipment	(16,712)	(2,562)
Purchase of design and production costs	-	(8,950)
Net cash provided (used) by investing activities	<u>(1,709)</u>	<u>749,668</u>
Net increase in cash and cash equivalents	138,376	302,222
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>1,496,763</u>	<u>1,194,541</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 1,635,139</u>	<u>\$ 1,496,763</u>

See notes to consolidated financial statements.

**COMMITTEE FOR ACCURACY IN MIDDLE EAST REPORTING IN
AMERICA, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

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 consolidated statements of activities as net assets released from restrictions.

**COMMITTEE FOR ACCURACY IN MIDDLE EAST REPORTING IN
AMERICA, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Method of Accounting (Continued) –

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 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 statement of financial position 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 consolidated statements of activities. Accumulated translation adjustments included in net assets for the years ended December 31, 2016 and 2015 were \$1,977 and \$2,513, respectively.

Date of Management's Review –

Subsequent events have been evaluated by management through October 10, 2017, the date the consolidated 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 market rates, which fluctuate with the market.

**COMMITTEE FOR ACCURACY IN MIDDLE EAST REPORTING IN
AMERICA, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Pledges Receivable –

Unconditional pledges receivable are recorded as contribution income in the consolidated 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 bad debts. Management has established an allowance for uncollectible pledges of \$13,450 and \$3,250 as of December 31, 2016 and 2015, 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 consolidated 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.

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 consolidated statement of activities.

**COMMITTEE FOR ACCURACY IN MIDDLE EAST REPORTING IN
AMERICA, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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, 2016.

Advertising Expense –

The Organization’s policy is to expense advertising costs as incurred. Advertising expense for the years ended December 31, 2016 and 2015 was \$53,650 and \$166,884, respectively.

**COMMITTEE FOR ACCURACY IN MIDDLE EAST REPORTING IN
AMERICA, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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, NET

Pledges receivable are due to be collected as follows:

	December 31,	
	2016	2015
Amounts due in:		
Less than one year	\$ 84,450	\$ 14,488
Less: Reserve for doubtful accounts	(13,450)	(3,250)
	\$ 71,000	\$ 11,238

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

**COMMITTEE FOR ACCURACY IN MIDDLE EAST REPORTING IN
AMERICA, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

5. INVESTMENTS

Investments consisted of the following:

	December 31, 2016		December 31, 2015	
	Cost	Market Value	Cost	Market Value
Exchange traded funds	\$ 3,202,875	\$ 5,158,253	\$ 2,947,032	\$ 4,762,506
Corporate bonds	102,334	119,887	204,502	218,473
Equities	491,255	605,707	284,975	367,672
Mutual funds	400,252	394,776	400,252	390,303
	\$ 4,196,716	\$ 6,278,623	\$ 3,836,761	\$ 5,738,954

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**

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:

<u>Description of Assets</u>	December 31, 2016			
	Total	Level 1	Level 2	Level 3
Exchange traded funds	\$ 5,158,253	\$ 5,158,253	\$ -	\$ -
Corporate bonds:				
Domestic	119,887	119,887	-	-
International	-	-	-	-
Total corporate bonds	119,887	119,887	-	-
Equities:				
Financial	358,533	358,533	-	-
Technology	131,742	131,742	-	-
Entertainment	13,132	13,132	-	-
Telecommunications	-	-	-	-
Healthcare	102,300	102,300	-	-
Total equities	605,707	605,707	-	-
Mutual funds:				
Bonds	198,043	198,043	-	-
Bank loan	196,733	196,733	-	-
Total mutual funds	394,776	394,776	-	-
Total assets measured at fair value	\$ 6,278,623	\$ 6,278,623	\$ -	\$ -

**COMMITTEE FOR ACCURACY IN MIDDLE EAST REPORTING IN
AMERICA, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

6. FAIR VALUE MEASUREMENTS (Continued)

The following table summarizes the Organization's fair value hierarchy for its financial assets measured at fair value on a recurring basis:

Description of Assets	December 31, 2015			
	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	<u>218,473</u>	<u>218,473</u>	<u>-</u>	<u>-</u>
Equities:				
Financial	214,921	214,921	-	-
Technology	131,142	131,142	-	-
Entertainment	11,922	11,922	-	-
Telecommunications	9,687	9,687	-	-
Healthcare	-	-	-	-
Total equities	<u>367,672</u>	<u>367,672</u>	<u>-</u>	<u>-</u>
Mutual funds:				
Bonds	196,740	196,740	-	-
Bank loan	193,563	193,563	-	-
Total mutual funds	<u>390,303</u>	<u>390,303</u>	<u>-</u>	<u>-</u>
Total assets measured at fair value	<u>\$ 5,738,954</u>	<u>\$ 5,738,954</u>	<u>\$ -</u>	<u>\$ -</u>

**COMMITTEE FOR ACCURACY IN MIDDLE EAST REPORTING IN
AMERICA, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

7. PROPERTY AND EQUIPMENT, NET

Property and equipment consisted of the following:

	December 31,	
	2016	2015
Computers, software, and equipment	\$ 163,985	\$ 160,861
Furniture and fixtures	38,804	37,150
Leasehold improvements	24,075	12,140
	226,864	210,151
Less: Accumulated depreciation	193,293	186,446
	\$ 33,571	\$ 23,705

Depreciation expense related to property and equipment for the years ended December 31, 2016 and 2015 was \$6,847 and \$5,448, respectively.

8. DESIGN AND PRODUCTION COSTS, NET

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, 2016 and 2015 was \$5,069 and \$14,339, respectively.

Design and production costs consisted of the following:

	December 31,	
	2016	2015
Website	\$ 96,586	\$ 96,586
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
	201,178	201,178
Less: Accumulated amortization	178,365	173,296
	\$ 22,813	\$ 27,882

**COMMITTEE FOR ACCURACY IN MIDDLE EAST REPORTING IN
AMERICA, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

8. DESIGN AND PRODUCTION COSTS (Continued)

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

<u>Year Ending December 31,</u>	
2017	\$ 3,895
2018	7,567
2019	7,567
2020	3,784
	<hr/>
	\$ 22,813
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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 \$308,904 and \$236,826 as of December 31, 2016 and 2015, respectively.

10. RESTRICTED NET ASSETS

Temporarily restricted net assets included the following:

	<u>December 31,</u>	
	<u>2016</u>	<u>2015</u>
Birthright Project	\$ 36,000	\$ 30,000
Camera on Campus	-	100,000
2016 Conference	-	30,000
	<hr/>	<hr/>
	\$ 36,000	\$ 160,000
	<hr/> <hr/>	<hr/> <hr/>

There were no permanently restricted net assets as of December 31, 2016 and 2015.

**COMMITTEE FOR ACCURACY IN MIDDLE EAST REPORTING IN
AMERICA, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

10. RESTRICTED NET ASSETS (Continued)

Certain temporarily restricted assets were released from restriction during the years ended December 31, 2016 and 2015 by satisfaction of the restricted purpose specified by the donor, and were reclassified as unrestricted net assets as follows:

	Year Ended December 31,	
	2016	2015
Camera on Campus	\$ 100,000	\$ 229,931
Birthright Project	30,000	40,000
2016 Conference	30,000	-
	\$ 160,000	\$ 269,931

11. JOINT COSTS

Activities related to direct mailings, which include postage, production and printing costs, included joint costs of \$81,787 and \$54,017 for the years ended December 31, 2016 and 2015, which were not specifically identifiable to either the program component or the fundraising component of the activities. Of these joint costs, \$21,545 and \$13,016 was allocated to fundraising in 2016 and 2015, 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, 2016 and 2015 totaled \$28,278 and \$32,098, 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 until the Organization moves into a new office space.

In 2016, the Organization signed a 10 year lease agreement for office space in Newton, MA for \$18,975 per month beginning June 1, 2017.

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.

**COMMITTEE FOR ACCURACY IN MIDDLE EAST REPORTING IN
AMERICA, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

13. COMMITMENTS (Continued)

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.

The Subsidiary leases an office in Israel under a three-year lease agreement expiring October 31, 2017. The lease agreement requires quarterly payments of \$11,754 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.

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

<u>Year Ending December 31,</u>	
2017	\$ 121,160
2018	235,430
2019	240,380
2020	245,330
2021	244,200
Thereafter	<u>1,476,750</u>
	<u><u>\$ 2,563,250</u></u>

Rent expense for the years ended December 31, 2016 and 2015 totaled \$192,009 and \$194,831, 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 for the years ended December 31, 2016 and 2015 and approximately \$9,000 and \$12,000 for donated legal services for the years ended December 31, 2016 and 2015, respectively.

15. MAJOR CONTRIBUTORS

For the year ended December 31, 2016, one donor accounted for approximately 17% of the total unrestricted contributions.

SUPPLEMENTARY INFORMATION

**COMMITTEE FOR ACCURACY IN MIDDLE EAST REPORTING IN
AMERICA, INC. AND SUBSIDIARY
CONSOLIDATING STATEMENT OF FINANCIAL POSITION**

December 31, 2016

	ASSETS			
	CAMERA	CAMERA/ Presspectiva	Eliminating Entries	Consolidated Totals
Cash and cash equivalents	\$ 1,587,507	\$ 47,632	\$ -	\$ 1,635,139
Investments	6,278,623	-	-	6,278,623
Pledges receivable, net	71,000	-	-	71,000
Interest receivable	21,832	-	-	21,832
Inventory	24,124	-	-	24,124
Prepaid expenses	102,245	16,720	-	118,965
Deposit	18,975	11,684	-	30,659
Property and equipment, net	2,974	30,597	-	33,571
Design and production costs, net	22,701	112	-	22,813
Trademark	1,639	-	-	1,639
Total assets	\$ 8,131,620	\$ 106,745	\$ -	\$ 8,238,365
LIABILITIES AND NET ASSETS				
LIABILITIES				
Accounts payable	\$ 41,085	\$ 2,704	\$ -	\$ 43,789
Accrued expenses	96,156	23,692	-	119,848
Agency funds	308,904	-	-	308,904
Deferred revenue	30,800	-	-	30,800
Deferred special event revenue	22,300	-	-	22,300
Total liabilities	499,245	26,396	-	525,641
NET ASSETS				
Unrestricted	7,596,375	80,349	-	7,676,724
Temporarily restricted	36,000	-	-	36,000
Total net assets	7,632,375	80,349	-	7,712,724
Total liabilities and net assets	\$ 8,131,620	\$ 106,745	\$ -	\$ 8,238,365

See independent auditors' report.

**COMMITTEE FOR ACCURACY IN MIDDLE EAST REPORTING IN
AMERICA, INC. AND SUBSIDIARY
CONSOLIDATING STATEMENT OF FINANCIAL POSITION**

December 31, 2015

	ASSETS			
	CAMERA	CAMERA/ Presspectiva	Eliminating Entries	Consolidated Totals
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
Total assets	\$ 7,367,711	\$ 78,974	\$ -	\$ 7,446,685

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
Deferred revenue	15,500	-	-	15,500
Deferred special event revenue	50,000	-	-	50,000
Total liabilities	442,130	28,851	-	470,981

NET ASSETS

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

See independent auditors' report.

**COMMITTEE FOR ACCURACY IN MIDDLE EAST REPORTING IN
AMERICA, INC. AND SUBSIDIARY
CONSOLIDATING STATEMENT OF ACTIVITIES**

	Year Ended December 31, 2016			Consolidated Totals
	CAMERA	CAMERA/ Presspectiva	Eliminating Entries	
REVENUES AND GAINS				
Contributions and dues	\$ 4,202,213	\$ 494,362	\$ (493,881)	\$ 4,202,694
Special event revenue	1,084,518	-	-	1,084,518
Less: Direct costs of event	(282,447)	-	-	(282,447)
Net revenue from special event	802,071	-	-	802,071
Unrealized appreciation in market value of investments	139,452	-	-	139,452
Realized gain on sale of investments	286,957	-	-	286,957
Interest and dividend income	109,042	-	-	109,042
Rental of lists	7,194	-	-	7,194
Total revenues and gains	5,546,929	494,362	(493,881)	5,547,410
EXPENSES				
Program services	4,158,445	408,232	(493,881)	4,072,796
<u>Supporting services -</u>				
Management and general	348,425	62,956	-	411,381
Fundraising	333,265	-	-	333,265
Total supporting services	681,690	62,956	-	744,646
Total expenses	4,840,135	471,188	(493,881)	4,817,442
OTHER INCOME	-	7,052	-	7,052
Change in net assets	706,794	30,226	-	737,020
NET ASSETS - BEGINNING OF YEAR	6,925,581	50,123	-	6,975,704
NET ASSETS - END OF YEAR	\$ 7,632,375	\$ 80,349	\$ -	\$ 7,712,724

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

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, 2016			
	Total Expenses	Program Services	Management and General	Fundraising
Payroll	\$ 2,652,117	\$ 2,333,286	\$ 202,393	\$ 116,438
Insurance	261,836	227,694	20,964	13,178
Professional fees	260,257	187,727	69,513	3,017
Printing and production costs	226,296	192,352	-	33,944
Meetings	213,160	106,580	-	106,580
Travel	213,117	211,277	774	1,066
Rent	192,009	172,901	17,373	1,735
Payroll taxes	184,148	161,314	13,498	9,336
Direct mail and postage	118,097	60,242	36,310	21,545
Honorarium	79,459	79,459	-	-
Web hosting and internet services	59,567	58,971	-	596
Advertising	53,650	53,650	-	-
Fees and admissions	34,780	31,302	-	3,478
Research services	34,083	34,083	-	-
Office	32,218	26,692	5,165	361
Investment advisory fees	32,000	-	32,000	-
Employee benefits	28,278	24,772	2,073	1,433
Equipment lease and maintenance	24,939	20,450	1,496	2,993
Fellows program	21,992	21,992	-	-
Public communications - media	21,030	20,632	398	-
Merchant fund fees	13,432	-	-	13,432
Telephone	12,174	9,983	730	1,461
Utilities	11,556	10,408	996	152
Subscriptions	9,470	9,470	-	-
Depreciation	6,847	6,068	700	79
Bank charges	6,743	-	6,743	-
Amortization	5,069	4,516	327	226
Books and publications	3,787	3,787	-	-
Conferences	3,652	3,652	-	-
Licenses and permits	2,215	-	-	2,215
Foreign currency translation adjustment	(536)	(464)	(72)	-
Totals	<u>\$ 4,817,442</u>	<u>\$ 4,072,796</u>	<u>\$ 411,381</u>	<u>\$ 333,265</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			
	Total Expenses	Program Services	Management and General	Fundraising
Payroll	\$ 2,504,941	\$ 2,204,931	\$ 186,861	\$ 113,149
Insurance	219,112	190,353	17,541	11,218
Professional fees	154,702	108,068	44,706	1,928
Printing and production costs	145,920	124,032	-	21,888
Meetings	267,015	133,508	-	133,507
Travel	269,803	268,072	402	1,329
Rent	194,831	175,443	17,608	1,780
Payroll taxes	176,435	154,487	12,844	9,104
Direct mail and postage	48,594	36,931	-	11,663
Honorarium	59,166	59,166	-	-
Web hosting and internet services	54,256	53,733	-	523
Advertising	166,884	166,884	-	-
Fees and admissions	12,309	11,078	-	1,231
Research services	34,969	34,969	-	-
Office	30,113	25,054	4,809	250
Investment advisory fees	32,000	-	32,000	-
Employee benefits	32,098	28,105	2,337	1,656
Equipment lease and maintenance	20,897	17,135	1,254	2,508
Fellows program	22,000	22,000	-	-
Public communications - media	55,541	55,541	-	-
Merchant fund fees	19,074	-	-	19,074
Telephone	25,514	20,922	1,531	3,061
Utilities	14,253	12,888	1,225	140
Subscriptions	10,894	10,894	-	-
Depreciation	5,448	4,772	606	70
Bank charges	7,837	-	7,837	-
Amortization	14,339	12,680	971	688
Books and publications	9,254	9,254	-	-
Conferences	3,553	3,553	-	-
Licenses and permits	-	-	-	-
Foreign currency translation adjustment	1,870	1,606	264	-
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
SCHEDULES OF SPECIAL EVENT**

	<u>Years Ended December 31,</u>	
	<u>2016 Annual Dinner</u>	<u>2015 Annual Dinner</u>
RECEIPTS	<u>\$ 1,084,518</u>	<u>\$ 891,522</u>
EXPENSES		
Conference	203,679	172,796
Payroll	38,117	36,275
Travel	24,494	24,251
Design costs	14,060	18,828
Printing and postage	1,550	29,821
Honorarium	300	300
Photography and video	200	675
Other dinner costs	47	865
Advertising	-	38
Total expenses	<u>282,447</u>	<u>283,849</u>
NET INCOME	<u><u>\$ 802,071</u></u>	<u><u>\$ 607,673</u></u>

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