

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



**CONSOLIDATED FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION**

Years Ended December 31, 2017 and 2016

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

	Page
INDEPENDENT AUDITORS' REPORT	1
 CONSOLIDATED FINANCIAL STATEMENTS:	
Consolidated Statements of Financial Position.....	3
Consolidated Statements of Activities	4
Consolidated Statements of Cash Flows.....	6
Notes to Consolidated Financial Statements.....	7
 SUPPLEMENTARY INFORMATION:	
Consolidating Statements of Financial Position	19
Consolidating Statements of Activities.....	21
Consolidated Schedules of Functional Expenses.....	23
Schedules of Special Event	25



INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Committee for Accuracy in Middle East Reporting in America, Inc. and Subsidiary
Newton, 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, 2017 and 2016, 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, 2017 and 2016, 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 16, 2018

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

	December 31,	
	2017	2016
ASSETS		
Cash and cash equivalents	\$ 1,296,216	\$ 1,635,139
Investments	6,552,909	6,278,623
Pledges receivable, net	20,200	71,000
Interest receivable	22,182	21,832
Prepaid supplies	27,508	24,124
Prepaid expenses	125,345	118,965
Deposits	31,902	30,659
Property and equipment, net	349,834	33,571
Design and production costs, net	70,551	22,813
Trademark	1,639	1,639
	\$ 8,498,286	\$ 8,238,365
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable	\$ 90,992	\$ 43,789
Accrued expenses	188,106	119,848
Agency funds	63,688	308,904
Deferred revenue	11,200	30,800
Deferred special event revenue	11,783	22,300
Deferred rent	7,425	-
Total liabilities	373,194	525,641
NET ASSETS		
Unrestricted	7,973,969	7,676,724
Temporarily restricted	151,123	36,000
Total net assets	8,125,092	7,712,724
Total liabilities and net assets	\$ 8,498,286	\$ 8,238,365

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, 2017		
	Total	Unrestricted	Temporarily Restricted
REVENUES AND GAINS			
Contributions and dues	\$ 3,128,102	\$ 2,976,979	\$ 151,123
Special event revenue	1,223,161	1,223,161	-
Less: Direct costs of event	(359,804)	(359,804)	-
Net revenue from special event	863,357	863,357	-
Unrealized appreciation in market value of investments	1,182,469	1,182,469	-
Realized gain on sale of investments	80,616	80,616	-
Interest and dividend income	105,117	105,117	-
Rental of lists	10,322	10,322	-
Net assets released from restriction	-	36,000	(36,000)
Total revenues and gains	5,369,983	5,254,860	115,123
EXPENSES			
Program services	4,028,030	4,028,030	-
<u>Supporting services -</u>			
Management and general	425,985	425,985	-
Fundraising	503,600	503,600	-
Total supporting services	929,585	929,585	-
Total expenses	4,957,615	4,957,615	-
OTHER INCOME	-	-	-
Change in net assets	412,368	297,245	115,123
NET ASSETS - BEGINNING OF YEAR	7,712,724	7,676,724	36,000
NET ASSETS - END OF YEAR	\$ 8,125,092	\$ 7,973,969	\$ 151,123

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 STATEMENTS OF CASH FLOWS**

	Years Ended December 31,	
	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 412,368	\$ 737,020
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	27,671	11,915
Unrealized appreciation in market value of investments	(1,182,469)	(139,452)
Realized gain on sale of investments	(80,616)	(286,957)
Donated investments	(194,638)	(128,263)
(Increase) decrease in operating assets:		
Pledges receivable, net	50,800	(59,762)
Interest receivable	(350)	(3,141)
Prepaid supplies	(3,384)	-
Prepaid expenses	(6,380)	(25,889)
Deposits	(1,243)	(20,046)
Increase (decrease) in operating liabilities:		
Accounts payable	47,203	(16,093)
Accrued expenses	67,088	11,611
Agency funds	(245,216)	72,078
Deferred revenue	(19,600)	15,300
Deferred special event revenue	(10,517)	(27,700)
Deferred rent	7,425	-
Net cash provided (used) by operating activities	<u>(1,131,858)</u>	<u>140,621</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of investments	1,183,437	737,554
Purchase of investments	-	(722,551)
Purchase of property and equipment	(338,977)	(16,712)
Purchase of design and production costs	(47,738)	-
Net cash provided (used) by investing activities	<u>796,722</u>	<u>(1,709)</u>
Effect of exchange rate changes on cash and cash equivalents	<u>(3,787)</u>	<u>(536)</u>
Net increase (decrease) in cash and cash equivalents	(338,923)	138,376
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>1,635,139</u>	<u>1,496,763</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 1,296,216</u>	<u>\$ 1,635,139</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 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.

Revenue Recognition –

Special event revenue is recognized in the period in which the respective event is held and services are rendered. Accordingly, registration fees or deposits received in advance of the event period are reported as deferred revenue in the Organization's consolidated statements of financial position.

Contributions are recorded as revenue when received or pledged. Conditional pledges are not recognized until they become unconditional, that is, at the time when the conditions on which they depend are substantially met. Contributions of assets other than cash, including marketable securities, are recorded at their estimated fair value on the date of the gift.

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 statement of activities. Accumulated translation adjustments included in net assets for the years ended December 31, 2017 and 2016 were \$1,810 and \$1,977, respectively.

Date of Management's Review –

Subsequent events have been evaluated by management through October 16, 2018, the date the consolidated financial statements were available to be issued.

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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.

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.

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.

Fair Value of Financial Instruments –

The Organization follows ASC 820-10, "Fair Value Measurements", which applies to reported balances that are required or permitted to be measured at fair market value under an existing accounting pronouncement. ASC 820-10 emphasizes that fair value is a market-based measurement, not an entity-specific measurement. Therefore, a fair value measurement should be determined based on the assumptions that market participants would use in pricing the asset or liability and establishes a fair value hierarchy. The fair value hierarchy consists of three levels of inputs that may be used to measure fair value as follows:

Level 1 – Inputs that utilize quoted prices (unadjusted) in active markets for identical assets or liabilities that the Organization has the ability to access.

Level 2 – Inputs that include quoted prices for similar assets and liabilities in active markets and inputs that are observable for the assets and liabilities, either directly or indirectly, for substantially the full term of the financial instrument. Fair values for these instruments are estimated using pricing models, quoted prices of securities with similar characteristics, or discounted cash flows.

Level 3 – Inputs that are unobservable inputs for the asset or liability, which are typically based on an entity's own assumptions, as there is little, if any, related market activity.

In instances where the determination of the fair value measurement is based on inputs from different levels of the fair value hierarchy, the level in the fair value hierarchy within which the entire fair value measurement falls is based on the lowest level input that is significant to the fair value measurement in its entirety.

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fair Value of Financial Instruments (Continued) –

ASC 825-10, “Financial Instruments”, permits an entity to measure many financial instruments and certain other assets and liabilities at fair value on an instrument-by-instrument basis. The Organization has not adopted any of the additional fair value options allowed in the standard. Management has determined that the fair value of its financial instruments not carried at fair value, including cash and cash equivalents, prepaid expenses, payables, and accrued expenses are substantially equivalent to their carrying values as of December 31, 2017 because of their relatively short-term nature.

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, 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 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.

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.

**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 (Continued) –

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, 2017.

Advertising Expense –

The Organization's policy is to expense advertising costs as incurred. Advertising expense for the years ended December 31, 2017 and 2016 was \$39,517 and \$53,650, 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.

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

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,	
	2017	2016
Amounts due in:		
Less than one year	\$ 24,600	\$ 84,450
Less: Allowance for uncollectible pledges	(4,400)	(13,450)
	\$ 20,200	\$ 71,000

Management has established an allowance for uncollectible pledges as noted above.

5. INVESTMENTS

Investments consisted of the following:

	December 31, 2017		December 31, 2016	
	Cost	Market Value	Cost	Market Value
Exchange traded funds	\$ 3,202,875	\$ 6,327,753	\$ 3,202,875	\$ 5,158,253
Equities	85,658	225,156	491,255	605,707
Corporate bonds	-	-	102,334	119,887
Mutual funds	-	-	400,252	394,776
	\$ 3,288,533	\$ 6,552,909	\$ 4,196,716	\$ 6,278,623

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

6. FAIR VALUE MEASUREMENTS

The following tables summarize the Organization's fair value hierarchy for its financial assets measured at fair value on a recurring basis, using quoted prices in active market for identical assets (Level 1); significant other observable inputs (Level 2); and significant unobservable inputs (Level 3).

Description of Assets	Assets at Fair Value as of December 31, 2017			
	Total	Level 1	Level 2	Level 3
Exchange traded funds	\$ 6,327,753	\$ 6,327,753	\$ -	\$ -
Equities:				
Financial	208,927	208,927	-	-
Entertainment	15,228	15,228	-	-
Telecommunications	1,001	1,001	-	-
Technology	-	-	-	-
Healthcare	-	-	-	-
Total equities	225,156	225,156	-	-
Corporate bonds:				
Domestic	-	-	-	-
Total corporate bonds	-	-	-	-
Mutual funds:				
Bonds	-	-	-	-
Bank loan	-	-	-	-
Total mutual funds	-	-	-	-
Total assets measured at fair value	\$ 6,552,909	\$ 6,552,909	\$ -	\$ -

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

6. FAIR VALUE MEASUREMENTS (Continued)

	Assets at Fair Value as of December 31, 2016			
Description of Assets	Total	Level 1	Level 2	Level 3
Exchange traded funds	\$ 5,158,253	\$ 5,158,253	\$ -	\$ -
Equities:				
Financial	358,533	358,533	-	-
Entertainment	13,132	13,132	-	-
Telecommunications	-	-	-	-
Technology	131,742	131,742	-	-
Healthcare	102,300	102,300	-	-
Total equities	605,707	605,707	-	-
Corporate bonds:				
Domestic	119,887	119,887	-	-
Total corporate bonds	119,887	119,887	-	-
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**

7. PROPERTY AND EQUIPMENT, NET

Property and equipment consisted of the following:

	December 31,	
	2017	2016
Leasehold improvements	\$ 332,160	\$ 24,075
Computers, software, and equipment	106,259	163,984
Furniture and fixtures	77,036	38,804
	515,455	226,863
Less: Accumulated depreciation	165,621	193,292
	\$ 349,834	\$ 33,571

Depreciation expense related to property and equipment for the years ended December 31, 2017 and 2016 was \$27,671 and \$6,847, 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. There was no amortization expense for the year ended December 31, 2017. Amortization expense for the year ended December 31, 2016 was \$5,069.

Design and production costs consisted of the following:

	December 31,	
	2017	2016
Website	\$ 144,436	\$ 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	3,364	3,379
	249,013	201,178
Less: Accumulated amortization	178,462	178,365
	\$ 70,551	\$ 22,813

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

8. DESIGN AND PRODUCTION COSTS, NET (Continued)

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

<u>Year Ending December 31,</u>	
2018	\$ 13,718
2019	23,517
2020	23,517
2021	9,799
	<u>70,551</u>
	<u>\$ 70,551</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 \$63,688 and \$308,904 as of December 31, 2017 and 2016, respectively.

10. RESTRICTED NET ASSETS

Temporarily restricted net assets included the following:

	<u>December 31,</u>	
	<u>2017</u>	<u>2016</u>
2018 Operations	\$ 50,000	\$ -
Birthright Project	45,000	36,000
Arabic Project	31,123	-
2018 Presspectiva Operations	25,000	-
	<u>\$ 151,123</u>	<u>\$ 36,000</u>

There were no permanently restricted net assets as of December 31, 2017 and 2016.

**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, 2017 and 2016 by satisfaction of the restricted purpose specified by the donor, and were reclassified as unrestricted net assets as follows:

	Year Ended December 31,	
	2017	2016
Birthright Project	\$ 36,000	\$ 30,000
Camera on Campus	-	100,000
2016 Conference	-	30,000
	\$ 36,000	\$ 160,000

11. JOINT COSTS

Activities related to direct mailings, which include postage, production and printing costs, included joint costs of \$65,653 and \$81,787 for the years ended December 31, 2017 and 2016, which were not specifically identifiable to either the program component or the fundraising component of the activities. Of these joint costs, \$15,928 and \$21,545 was allocated to fundraising in 2017 and 2016, 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. The Organization matches 50% of the deferral up to the first 6% of the salary. Matching contributions for the years ended December 31, 2017 and 2016 totaled \$29,916 and \$28,278, respectively.

13. COMMITMENTS

The Organization leases office space in Newton, MA under a ten-year lease that expires in August 2027. The office lease requires the Organization to pay a percentage of common area expenses, taxes, and utilities which are included in rent expenses. Monthly payments, excluding charges for common area maintenance costs, range from \$18,975 to \$22,688 over the term of the lease. Prior to moving into the Newton location, the Organization leased its office space on a month to month basis.

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 a five-year lease that expires in December of 2020, subject to total monthly rent of \$507.

The Subsidiary leases an office in Israel under a two-year lease extension agreement expiring October 31, 2019. The lease agreement requires quarterly payments of \$11,793 through October 31, 2019. For securing the lease agreement, the Subsidiary deposited in the bank \$12,927 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 over the remaining terms of these leases are as follows:

<u>Year Ending December 31,</u>	
2018	\$ 282,602
2019	279,690
2020	245,330
2021	244,200
2022	249,150
Thereafter	<u>1,227,600</u>
	<u><u>\$ 2,528,572</u></u>

Rent expense for the years ended December 31, 2017 and 2016 totaled \$228,236 and \$192,009, respectively.

14. RELATED PARTY TRANSACTIONS

The Organization receives donated investment advisory, computer, network, and legal services provided by companies owned by certain members of the Board of Directors. The Organization recognized approximately \$35,000 and \$32,000 for donated investment advisory services for the years ended December 31, 2017 and 2016, respectively. The Organization recognized approximately \$45,000 for donated installation and network support for the year ended December 31, 2017 and \$9,000 for donated legal services for the year ended December 31, 2016.

15. MAJOR CONTRIBUTORS

There were no major contributions for the year ended December 31, 2017. 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
SCHEDULES OF SPECIAL EVENT**

	Years Ended December 31,	
	2017 Annual Dinner	2016 Annual Dinner
RECEIPTS	<u>\$ 1,223,161</u>	<u>\$ 1,084,518</u>
EXPENSES		
Conference	210,365	203,679
Payroll	70,618	38,117
Honorarium	31,500	300
Travel	24,865	24,494
Design costs	13,944	14,060
Other dinner costs	4,400	47
Printing and postage	4,112	1,550
Photography and video	-	200
Total expenses	<u>359,804</u>	<u>282,447</u>
NET INCOME	<u>\$ 863,357</u>	<u>\$ 802,071</u>

See independent auditors' report.

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

December 31, 2017

	ASSETS			
	<u>CAMERA</u>	<u>CAMERA/ Presspectiva</u>	<u>Eliminating Entries</u>	<u>Consolidated Totals</u>
Cash and cash equivalents	\$ 1,241,108	\$ 55,108	\$ -	\$ 1,296,216
Investments	6,552,909	-	-	6,552,909
Pledges receivable, net	20,200	-	-	20,200
Interest receivable	22,182	-	-	22,182
Prepaid supplies	27,508	-	-	27,508
Prepaid expenses	106,239	19,106	-	125,345
Deposits	18,975	12,927	-	31,902
Property and equipment, net	308,752	41,082	-	349,834
Design and production costs, net	70,551	-	-	70,551
Trademark	1,639	-	-	1,639
	<u>\$ 8,370,063</u>	<u>\$ 128,223</u>	<u>\$ -</u>	<u>\$ 8,498,286</u>
LIABILITIES AND NET ASSETS				
LIABILITIES				
Accounts payable	\$ 87,671	\$ 3,321	\$ -	\$ 90,992
Accrued expenses	130,224	57,882	-	188,106
Agency funds	63,688	-	-	63,688
Deferred revenue	11,200	-	-	11,200
Deferred special event revenue	11,783	-	-	11,783
Deferred rent	7,425	-	-	7,425
Total liabilities	<u>311,991</u>	<u>61,203</u>	<u>-</u>	<u>373,194</u>
NET ASSETS				
Unrestricted	7,906,949	67,020	-	7,973,969
Temporarily restricted	151,123	-	-	151,123
Total net assets	<u>8,058,072</u>	<u>67,020</u>	<u>-</u>	<u>8,125,092</u>
Total liabilities and net assets	<u>\$ 8,370,063</u>	<u>\$ 128,223</u>	<u>\$ -</u>	<u>\$ 8,498,286</u>

See independent auditors' report.

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

December 31, 2016

	ASSETS			
	<u>CAMERA</u>	<u>CAMERA/ Presspectiva</u>	<u>Eliminating Entries</u>	<u>Consolidated Totals</u>
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
Prepaid supplies	24,124	-	-	24,124
Prepaid expenses	102,245	16,720	-	118,965
Deposits	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	<u>\$ 8,131,620</u>	<u>\$ 106,745</u>	<u>\$ -</u>	<u>\$ 8,238,365</u>
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
Deferred rent	-	-	-	-
Total liabilities	<u>499,245</u>	<u>26,396</u>	<u>-</u>	<u>525,641</u>
NET ASSETS				
Unrestricted	7,596,375	80,349	-	7,676,724
Temporarily restricted	36,000	-	-	36,000
Total net assets	<u>7,632,375</u>	<u>80,349</u>	<u>-</u>	<u>7,712,724</u>
Total liabilities and net assets	<u>\$ 8,131,620</u>	<u>\$ 106,745</u>	<u>\$ -</u>	<u>\$ 8,238,365</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, 2017			
	CAMERA	CAMERA/ Presspectiva	Eliminating Entries	Consolidated Totals
REVENUES AND GAINS				
Contributions and dues	\$ 3,128,102	\$ 530,066	\$ (530,066)	\$ 3,128,102
Special event revenue	1,223,161	-	-	1,223,161
Less: Direct costs of event	(359,804)	-	-	(359,804)
Net revenue from special event	863,357	-	-	863,357
Unrealized appreciation in market value of investments	1,182,469	-	-	1,182,469
Realized gain on sale of investments	80,616	-	-	80,616
Interest and dividend income	105,117	-	-	105,117
Rental of lists	10,322	-	-	10,322
Total revenues and gains	5,369,983	530,066	(530,066)	5,369,983
EXPENSES				
Program services	4,084,116	473,980	(530,066)	4,028,030
<u>Supporting services -</u>				
Management and general	356,570	69,415	-	425,985
Fundraising	503,600	-	-	503,600
Total supporting services	860,170	69,415	-	929,585
Total expenses	4,944,286	543,395	(530,066)	4,957,615
OTHER INCOME				
Change in net assets	425,697	(13,329)	-	412,368
NET ASSETS - BEGINNING OF YEAR	7,632,375	80,349	-	7,712,724
NET ASSETS - END OF YEAR	\$ 8,058,072	\$ 67,020	\$ -	\$ 8,125,092

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
CONSOLIDATED SCHEDULE OF FUNCTIONAL EXPENSES**

	Year Ended December 31, 2017			
	Total Expenses	Program Services	Management and General	Fundraising
Payroll	\$ 2,858,089	\$ 2,385,224	\$ 218,164	\$ 254,701
Insurance	247,242	201,783	19,883	25,576
Travel	231,724	229,449	1,044	1,231
Rent	228,236	205,737	20,405	2,094
Printing and production costs	223,637	181,405	-	42,232
Meetings	206,335	103,168	-	103,167
Payroll taxes	195,342	160,747	14,221	20,374
Professional fees	182,299	115,423	64,015	2,861
Direct mail and postage	95,320	49,725	29,667	15,928
Web hosting and internet services	71,534	71,114	-	420
Honorarium	55,727	55,727	-	-
Office	54,299	47,378	6,265	656
Advertising	39,517	39,517	-	-
Research services	38,879	38,879	-	-
Investment advisory fees	35,000	-	35,000	-
Employee benefits	29,916	24,618	2,178	3,120
Depreciation	27,671	23,615	2,024	2,032
Equipment lease and maintenance	23,641	20,707	1,733	1,201
Telephone	23,494	19,265	1,410	2,819
Merchant fund fees	23,244	-	-	23,244
Utilities	16,235	14,639	1,386	210
Fees and admissions	15,090	13,581	-	1,509
Public communications - media	11,200	10,757	443	-
Fellows program	9,352	9,352	-	-
Bank charges	8,631	-	8,631	-
Subscriptions	6,935	6,935	-	-
Conferences	2,121	2,121	-	-
Books and publications	467	467	-	-
Licenses and permits	225	-	-	225
Amortization	-	-	-	-
Foreign currency translation adjustment	(3,787)	(3,303)	(484)	-
Totals	<u>\$ 4,957,615</u>	<u>\$ 4,028,030</u>	<u>\$ 425,985</u>	<u>\$ 503,600</u>

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**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
Travel	213,117	211,277	774	1,066
Rent	192,009	172,901	17,373	1,735
Printing and production costs	226,296	192,352	-	33,944
Meetings	213,160	106,580	-	106,580
Payroll taxes	184,148	161,314	13,498	9,336
Professional fees	260,257	187,727	69,513	3,017
Direct mail and postage	118,097	60,242	36,310	21,545
Web hosting and internet services	59,567	58,971	-	596
Honorarium	79,459	79,459	-	-
Office	32,218	26,692	5,165	361
Advertising	53,650	53,650	-	-
Research services	34,083	34,083	-	-
Investment advisory fees	32,000	-	32,000	-
Employee benefits	28,278	24,772	2,073	1,433
Depreciation	6,847	6,068	700	79
Equipment lease and maintenance	24,939	20,450	1,496	2,993
Telephone	12,174	9,983	730	1,461
Merchant fund fees	13,432	-	-	13,432
Utilities	11,556	10,408	996	152
Fees and admissions	34,780	31,302	-	3,478
Public communications - media	21,030	20,632	398	-
Fellows program	21,992	21,992	-	-
Bank charges	6,743	-	6,743	-
Subscriptions	9,470	9,470	-	-
Conferences	3,652	3,652	-	-
Books and publications	3,787	3,787	-	-
Licenses and permits	2,215	-	-	2,215
Amortization	5,069	4,516	327	226
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>

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