

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



**CONSOLIDATED FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION**

Years Ended December 31, 2018 and 2017

**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
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, 2018 and 2017, and the related consolidated statements of activities, functional expenses 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, 2018 and 2017, 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, 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
September 27, 2019

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

	December 31,	
	2018	2017
ASSETS		
Cash and cash equivalents	\$ 1,540,188	\$ 1,296,216
Investments	5,522,321	6,552,909
Pledges receivable, net	43,850	20,200
Interest receivable	21,409	22,182
Prepaid supplies	4,892	27,508
Prepaid expenses	79,453	125,345
Deposits	31,011	31,902
Property and equipment, net	310,344	349,834
Design and production costs, net	57,790	70,551
Trademark	1,639	1,639
Total assets	\$ 7,612,897	\$ 8,498,286
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable	\$ 3,334	\$ 90,992
Accrued expenses	153,082	188,106
Agency funds	77,688	63,688
Deferred revenue	50,000	11,200
Deferred special event revenue	8,200	11,783
Deferred rent	28,050	7,425
Total liabilities	320,354	373,194
NET ASSETS		
Net assets without donor restrictions	7,157,706	7,973,969
Net assets with donor restrictions	134,837	151,123
Total net assets	7,292,543	8,125,092
Total liabilities and net assets	\$ 7,612,897	\$ 8,498,286

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, 2018		
	Total	Without Donor Restrictions	With Donor Restrictions
REVENUES			
Contributions and dues	\$ 3,556,047	\$ 3,421,210	\$ 134,837
Special event revenue	1,154,500	1,154,500	-
Less: Direct costs of event	(337,563)	(337,563)	-
Net revenue from special event	816,937	816,937	-
Investment loss	(151,940)	(151,940)	-
Rental of lists	7,485	7,485	-
Net assets released from restriction	-	151,123	(151,123)
Total revenues	4,228,529	4,244,815	(16,286)
EXPENSES			
Program services	4,306,020	4,306,020	-
<u>Supporting services -</u>			
Management and general	339,054	339,054	-
Fundraising	416,004	416,004	-
Total supporting services	755,058	755,058	-
Total expenses	5,061,078	5,061,078	-
Change in net assets	(832,549)	(816,263)	(16,286)
NET ASSETS - BEGINNING OF YEAR	8,125,092	7,973,969	151,123
NET ASSETS - END OF YEAR	\$ 7,292,543	\$ 7,157,706	\$ 134,837

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	Without Donor Restrictions	With Donor Restrictions
REVENUES			
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	-
Investment income	1,333,202	1,333,202	-
Rental of lists	10,322	10,322	-
Net assets released from restriction	-	36,000	(36,000)
Total revenues	5,334,983	5,219,860	115,123
EXPENSES			
Program services	4,028,030	4,028,030	-
<u>Supporting services -</u>			
Management and general	390,985	390,985	-
Fundraising	503,600	503,600	-
Total supporting services	894,585	894,585	-
Total expenses	4,922,615	4,922,615	-
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 SCHEDULE OF FUNCTIONAL EXPENSES**

	Year Ended December 31, 2018			
	Total Expenses	Program Services	Management and General	Fundraising
Payroll	\$ 2,951,363	\$ 2,535,350	\$ 232,035	\$ 183,978
Rent	324,235	288,400	30,505	5,330
Insurance	234,544	198,519	18,298	17,727
Travel	212,140	209,940	1,087	1,113
Payroll taxes	189,749	161,997	13,287	14,465
Meetings	185,542	92,771	-	92,771
Professional fees	184,994	161,023	15,426	8,545
Printing and production costs	152,611	107,825	-	44,786
Advertising	113,076	113,076	-	-
Direct mail and postage	47,622	35,081	215	12,326
Honorarium	47,002	47,002	-	-
Depreciation	42,685	36,720	3,170	2,795
Web hosting and internet services	39,791	39,328	-	463
Research services	39,584	39,584	-	-
Office	34,130	27,154	6,364	612
Employee benefits	33,101	28,260	2,318	2,523
Books and publications	27,742	27,742	-	-
Equipment lease and maintenance	27,608	22,639	1,656	3,313
Telephone	26,721	22,446	1,870	2,405
Fellows program	26,603	26,603	-	-
Merchant fund fees	19,781	-	-	19,781
Utilities	17,416	15,438	1,609	369
Miscellaneous	17,271	17,271	-	-
Amortization	16,511	14,096	1,156	1,259
Fees and admissions	14,432	12,989	-	1,443
Public communications - media	12,407	11,993	414	-
Bank charges	8,989	-	8,989	-
Subscriptions	7,518	7,518	-	-
Foreign currency translation adjustment	3,127	2,737	390	-
Conferences	2,783	2,518	265	-
Licenses and permits	-	-	-	-
Totals	<u>\$ 5,061,078</u>	<u>\$ 4,306,020</u>	<u>\$ 339,054</u>	<u>\$ 416,004</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, 2017			
	Total Expenses	Program Services	Management and General	Fundraising
Payroll	\$ 2,858,089	\$ 2,385,224	\$ 218,164	\$ 254,701
Rent	228,236	205,737	20,405	2,094
Insurance	247,242	201,783	19,883	25,576
Travel	231,724	229,449	1,044	1,231
Payroll taxes	195,342	160,747	14,221	20,374
Meetings	206,335	103,168	-	103,167
Professional fees	182,299	115,423	64,015	2,861
Printing and production costs	223,637	181,405	-	42,232
Advertising	39,517	39,517	-	-
Direct mail and postage	95,320	49,725	29,667	15,928
Honorarium	55,727	55,727	-	-
Depreciation	27,671	23,615	2,024	2,032
Web hosting and internet services	71,534	71,114	-	420
Research services	38,879	38,879	-	-
Office	54,299	47,378	6,265	656
Employee benefits	29,916	24,618	2,178	3,120
Books and publications	467	467	-	-
Equipment lease and maintenance	23,641	20,707	1,733	1,201
Telephone	23,494	19,265	1,410	2,819
Fellows program	9,352	9,352	-	-
Merchant fund fees	23,244	-	-	23,244
Utilities	16,235	14,639	1,386	210
Miscellaneous	-	-	-	-
Amortization	-	-	-	-
Fees and admissions	15,090	13,581	-	1,509
Public communications - media	11,200	10,757	443	-
Bank charges	8,631	-	8,631	-
Subscriptions	6,935	6,935	-	-
Foreign currency translation adjustment	(3,787)	(3,303)	(484)	-
Conferences	2,121	2,121	-	-
Licenses and permits	225	-	-	225
Totals	\$ 4,922,615	\$ 4,028,030	\$ 390,985	\$ 503,600

See independent auditors' report.

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

	Years Ended December 31,	
	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (832,549)	\$ 412,368
Adjustments to reconcile change in net assets to net cash used by operating activities:		
Depreciation	42,685	27,671
Amortization	16,511	-
Unrealized (gain) loss in market value of investments	846,152	(1,182,469)
Realized gain on sale of investments	(622,632)	(80,616)
Donated investments	(174,989)	(194,638)
Proceeds from sale of donated investments	174,989	194,638
(Increase) decrease in operating assets:		
Pledges receivable, net	(23,650)	50,800
Interest receivable	773	(350)
Prepaid supplies	22,616	(3,384)
Prepaid expenses	45,892	(6,380)
Deposits	891	(1,243)
Increase (decrease) in operating liabilities:		
Accounts payable	(87,658)	47,203
Accrued expenses	(41,346)	67,088
Agency funds	14,000	(245,216)
Deferred revenue	38,800	(19,600)
Deferred special event revenue	(3,583)	(10,517)
Deferred rent	20,625	7,425
Net cash used by operating activities	<u>(562,473)</u>	<u>(937,220)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of investments	955,590	988,799
Purchase of investments	(148,522)	-
Purchase of property and equipment	-	(338,977)
Purchase of design and production costs	(3,750)	(47,738)
Net cash provided by investing activities	<u>803,318</u>	<u>602,084</u>
Effect of exchange rate changes on cash and cash equivalents	<u>3,127</u>	<u>(3,787)</u>
Net increase (decrease) in cash and cash equivalents	243,972	(338,923)
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>1,296,216</u>	<u>1,635,139</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 1,540,188</u>	<u>\$ 1,296,216</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 consolidated financial statements of the Organization have been prepared on the accrual basis of accounting. Accordingly, assets are recorded when the Organization obtains the rights of ownership or is entitled to claim receipt, and liabilities are recorded when the obligation is incurred.

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 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, 2018 and 2017 included a loss totaling \$1,317 and a gain totaling \$1,810, 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)

Date of Management's Review –

Subsequent events have been evaluated by management through September 27, 2019, 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.

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 assets without donor restrictions 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.

Pledges Receivable –

The Organization records unconditional pledges receivable that are expected to be collected within one year at net realizable value. Unconditional pledges expected to be collected in future years are initially recorded at fair value using present value techniques incorporating risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the asset. In subsequent years, amortization of the discounts is included in contribution revenue in the statements of activities. The Organization determines the allowance for uncollectable pledges receivable based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Pledges receivable are written off when deemed uncollectable. The allowance is based on management's estimate of possible bad debts. At December 31, 2018 and 2017, the pledges receivable was determined to be fully collectable. As a result there was no allowance for uncollectable pledges receivable at December 31, 2018 and 2017.

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.

**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) –

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.

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, 2018 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.

Net Assets –

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) 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)

Net Assets (Continued) –

Net Assets With Donor Restrictions – Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

The Organization reports contributions restricted by donors as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

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

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.

**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) –

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. The consolidated financial statements report certain categories of expenses that are attributable to one or more programs or supporting functions of the Organization. These expenses include personnel salaries, benefits, and payroll taxes, utilities, insurance, amortization, depreciation, printing and postage, office supplies, and rent. The allocation of these expenses between program services, management and general, and fundraising expenses are based on actual asset usage and estimates of time and effort. 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, 2018.

Advertising Expense –

The Organization’s policy is to expense advertising costs as incurred. Advertising expense for the years ended December 31, 2018 and 2017 was \$113,076 and \$39,517, 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**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recently Issued Accounting Pronouncements –

On August 18, 2016, FASB issued Accounting Standards Update (ASU) 2016-14, Not-for-Profit Entities (Topic 958) – *Presentation of Financial Statements of Not-for-Profit Entities*. The update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources (Note 4), and the lack of consistency in the type of information provided about expenses and investment return. The Organization has implemented ASU 2016-14 during the year ended December 31, 2018 and adjusted the presentation in these financial statements accordingly. The ASU has been applied retrospectively to all periods presented; no change in net assets occurred due to this change.

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 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. LIQUIDITY AND FUNDS AVAILABLE

The following table reflects the Organization's consolidated financial assets as of December 31, 2018 and 2017, reduced by amounts not available for general expenditure within one year. Financial assets are considered unavailable when illiquid or not convertible to cash within one year, contributions restricted by donors beyond one year, or specified purpose, or assets held for others.

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

4. LIQUIDITY AND FUNDS AVAILABLE (Continued)

	December 31, 2018
Financial assets:	
Cash and cash equivalents	\$ 1,540,188
Investments	5,522,321
Pledges receivable, net	43,850
Interest receivable	21,409
Financial assets, at year end	7,127,768
Less those unavailable for general expenditure within on year, due to:	
Agency funds	77,688
Net assets restricted for time or purpose	134,837
	212,525
Financial assets available to meet cash needs for general expenditures within one year	\$ 6,915,243

The Organization receives significant contributions without donor restrictions and considers contributions restricted for programs which are ongoing, major, and central to its annual operations to be available to meet cash needs for general expenditures. The Organization manages its liquidity and reserves following three guiding principles: Operating within a prudent range of financial soundness and stability, maintaining adequate liquid assets to fund near-term operating needs, and maintaining sufficient reserves to provide reasonable assurance that long-term obligations will be discharged. The Organization has a liquidity policy to maintain current financial assets less current liabilities at a minimum of 30 days operating expenses. To achieve these targets, the entity forecasts its future cash flows and monitors its liquidity quarterly and monitors its reserves annually. During the years ended December 31, 2018 and 2017, the level of liquidity and reserves was managed within the policy requirements.

5. PLEDGES RECEIVABLE, NET

Pledges receivable are due to be collected as follows:

	December 31,	
	2018	2017
Amounts due in:		
Less than one year	\$ 58,850	\$ 24,600
Less: Allowance for uncollectible pledges	(15,000)	(4,400)
	\$ 43,850	\$ 20,200

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

6. INVESTMENTS

Investments consisted of the following:

	<u>December 31, 2018</u>		<u>December 31, 2017</u>	
	<u>Cost</u>	<u>Market Value</u>	<u>Cost</u>	<u>Market Value</u>
Exchange traded funds	\$ 3,097,205	\$ 5,497,423	\$ 3,202,875	\$ 6,327,753
Equities	<u>6,892</u>	<u>24,898</u>	<u>85,658</u>	<u>225,156</u>
	<u>\$ 3,104,097</u>	<u>\$ 5,522,321</u>	<u>\$ 3,288,533</u>	<u>\$ 6,552,909</u>

Net investment income (loss) consists of the following:

	<u>December 31,</u>	
	<u>2018</u>	<u>2017</u>
Unrealized gain (loss)	\$ (846,152)	\$ 1,182,469
Interest Income	101,080	105,117
Realized gains	622,632	80,616
Less: Investment advisory fees	<u>(29,500)</u>	<u>(35,000)</u>
Total investment income (loss)	<u>\$ (151,940)</u>	<u>\$ 1,333,202</u>

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

7. 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).

Assets at Fair Value as of December 31, 2018				
Description of Assets	Total	Level 1	Level 2	Level 3
Exchange traded funds	\$ 5,497,423	\$ 5,497,423	\$ -	\$ -
Equities:				
Entertainment	15,530	15,530	-	-
Telecommunications	9,368	9,368	-	-
Financial	-	-	-	-
Total equities	24,898	24,898	-	-
Total assets measured at fair value	\$ 5,522,321	\$ 5,522,321	\$ -	\$ -

Assets at Fair Value as of December 31, 2017				
Description of Assets	Total	Level 1	Level 2	Level 3
Exchange traded funds	\$ 6,327,753	\$ 6,327,753	\$ -	\$ -
Equities:				
Entertainment	15,228	15,228	-	-
Telecommunications	1,001	1,001	-	-
Financial	208,927	208,927	-	-
Total equities	225,156	225,156	-	-
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**

8. PROPERTY AND EQUIPMENT, NET

Property and equipment consisted of the following:

	December 31,	
	2018	2017
Leasehold improvements	\$ 329,395	\$ 332,160
Computers, software, and equipment	105,442	106,259
Furniture and fixtures	76,114	77,036
	510,951	515,455
Less: Accumulated depreciation	200,607	165,621
	\$ 310,344	\$ 349,834

Depreciation expense related to property and equipment for the years ended December 31, 2018 and 2017 was \$42,685 and \$27,671, respectively.

9. 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 amortization expense for the year ended December 31, 2018 totaled \$16,511. There was no amortization expense for the year ended December 31, 2017.

Design and production costs consisted of the following:

	December 31,	
	2018	2017
Website	\$ 148,186	\$ 144,436
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	3,132	3,364
	252,531	249,013
Less: Accumulated amortization	194,741	178,462
	\$ 57,790	\$ 70,551

**COMMITTEE FOR ACCURACY IN MIDDLE EAST REPORTING IN
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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

9. 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>	
2019	\$ 11,237
2020	19,263
2021	19,263
2022	8,027
	<u>57,790</u>
	<u>\$ 57,790</u>

10. 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 \$77,688 and \$63,688 as of December 31, 2018 and 2017, respectively.

11. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are restricted for the following purpose or periods as follows:

	<u>December 31,</u>	
	<u>2018</u>	<u>2017</u>
Subject to expenditure for specified purpose:		
Arabic Project	\$ 116,837	\$ 31,123
Birthright Project	18,000	45,000
2018 Presspectiva operations	-	25,000
	<u>134,837</u>	<u>101,123</u>
Subject to passage of time:		
2018 operations	-	50,000
	<u>-</u>	<u>50,000</u>
Total net assets with donor restrictions	<u>\$ 134,837</u>	<u>\$ 151,123</u>

There were no net assets restricted in perpetuity as of December 31, 2018 and 2017.

**COMMITTEE FOR ACCURACY IN MIDDLE EAST REPORTING IN
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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

11. NET ASSETS WITH DONOR RESTRICTIONS (Continued)

Certain assets with donor restrictions were released from restriction during the years ended December 31, 2018 and 2017 by satisfaction of the restricted purpose specified by the donor, and were reclassified as net assets without donor restrictions as follows:

	Years Ended December 31,	
	2018	2017
2018 operations	\$ 50,000	\$ -
Birthright Project	45,000	36,000
Arab project	31,123	-
2018 Presspectiva operations	25,000	-
	\$ 151,123	\$ 36,000

12. JOINT COSTS

Activities related to direct mailings, which include postage, production and printing costs, included joint costs of \$60,622 and \$65,653 for the years ended December 31, 2018 and 2017, which were not specifically identifiable to either the program component or the fundraising component of the activities. Of these joint costs, \$15,768 and \$15,928 was allocated to fundraising in 2018 and 2017, respectively, and the balance was allocated to program activities.

13. 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, 2018 and 2017 totaled \$33,101 and \$29,916, respectively.

14. 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.

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**

14. 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>	
2019	\$ 279,690
2020	245,330
2021	244,200
2022	249,150
2023	254,100
Thereafter	<u>973,500</u>
	<u>\$ 2,505,020</u>

Rent expense for the years ended December 31, 2018 and 2017 totaled \$324,235 and \$228,236, respectively.

15. 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 \$29,500 and \$35,000 for donated investment advisory services for the years ended December 31, 2018 and 2017, respectively. There were no donated installation and network support services for the year ended December 31, 2018. Donated legal services for the year ended December 31, 2017 totaled \$45,000.

16. MAJOR CONTRIBUTORS

There were no major contributions for the years ended December 31, 2018 and 2017.

SUPPLEMENTARY INFORMATION

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

December 31, 2018

	ASSETS			
	<u>CAMERA</u>	<u>CAMERA/ Presspectiva</u>	<u>Eliminating Entries</u>	<u>Consolidated Totals</u>
Cash and cash equivalents	\$ 1,488,875	\$ 51,313	\$ -	\$ 1,540,188
Investments	5,522,321	-	-	5,522,321
Pledges receivable, net	43,850	-	-	43,850
Interest receivable	21,409	-	-	21,409
Prepaid supplies	4,892	-	-	4,892
Prepaid expenses	61,663	17,790	-	79,453
Deposits	18,975	12,036	-	31,011
Property and equipment, net	272,091	38,253	-	310,344
Design and production costs, net	57,790	-	-	57,790
Trademark	1,639	-	-	1,639
	<u>\$ 7,493,505</u>	<u>\$ 119,392</u>	<u>\$ -</u>	<u>\$ 7,612,897</u>
LIABILITIES AND NET ASSETS				
LIABILITIES				
Accounts payable	\$ 242	\$ 3,092	\$ -	\$ 3,334
Accrued expenses	99,185	53,897	-	153,082
Agency funds	77,688	-	-	77,688
Deferred revenue	50,000	-	-	50,000
Deferred special event revenue	8,200	-	-	8,200
Deferred rent	28,050	-	-	28,050
Total liabilities	<u>263,365</u>	<u>56,989</u>	<u>-</u>	<u>320,354</u>
NET ASSETS				
Net assets without donor restrictions	7,095,303	62,403	-	7,157,706
Net assets with donor restrictions	134,837	-	-	134,837
Total net assets	<u>7,230,140</u>	<u>62,403</u>	<u>-</u>	<u>7,292,543</u>
Total liabilities and net assets	<u>\$ 7,493,505</u>	<u>\$ 119,392</u>	<u>\$ -</u>	<u>\$ 7,612,897</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
Total assets	<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				
Net assets without donor restrictions	7,906,949	67,020	-	7,973,969
Net assets with donor restrictions	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 ACTIVITIES**

	Year Ended December 31, 2018			
	CAMERA	CAMERA/ Presspectiva	Eliminating Entries	Consolidated Totals
REVENUES				
Contributions and dues	\$ 3,556,047	\$ 686,961	\$ (686,961)	\$ 3,556,047
Special event revenue	1,154,500	-	-	1,154,500
Less: Direct costs of event	(337,563)	-	-	(337,563)
Net revenue from special event	816,937	-	-	816,937
Investment loss	(151,940)	-	-	(151,940)
Rental of lists	7,485	-	-	7,485
Total revenues	4,228,529	686,961	(686,961)	4,228,529
EXPENSES				
Program services	4,387,704	605,277	(686,961)	4,306,020
<u>Supporting services -</u>				
Management and general	252,753	86,301	-	339,054
Fundraising	416,004	-	-	416,004
Total supporting services	668,757	86,301	-	755,058
Total expenses	5,056,461	691,578	(686,961)	5,061,078
Change in net assets	(827,932)	(4,617)	-	(832,549)
NET ASSETS - BEGINNING OF YEAR	8,058,072	67,020	-	8,125,092
NET ASSETS - END OF YEAR	\$ 7,230,140	\$ 62,403	\$ -	\$ 7,292,543

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			Consolidated Totals
	CAMERA	CAMERA/ Presspectiva	Eliminating Entries	
REVENUES				
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
Investment income	1,333,202	-	-	1,333,202
Rental of lists	10,322	-	-	10,322
Total revenues	5,334,983	530,066	(530,066)	5,334,983
EXPENSES				
Program services	4,084,116	473,980	(530,066)	4,028,030
<u>Supporting services -</u>				
Management and general	321,570	69,415	-	390,985
Fundraising	503,600	-	-	503,600
Total supporting services	825,170	69,415	-	894,585
Total expenses	4,909,286	543,395	(530,066)	4,922,615
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
SCHEDULES OF SPECIAL EVENT**

	<u>Years Ended December 31,</u>	
	<u>2018 Annual Dinner</u>	<u>2017 Annual Dinner</u>
SPECIAL EVENT REVENUE	<u>\$ 1,154,500</u>	<u>\$ 1,223,161</u>
DIRECT COSTS OF EVENT		
Conference	196,997	210,365
Payroll	69,087	70,618
Honorarium	26,500	31,500
Travel	21,637	24,865
Printing and postage	17,792	4,112
Advertising costs	1,950	-
Photography and video	1,850	-
Independent contractor costs	1,750	-
Design costs	-	13,944
Other dinner costs	-	4,400
Total expenses	<u>337,563</u>	<u>359,804</u>
NET REVENUE FROM SPECIAL EVENT	<u>\$ 816,937</u>	<u>\$ 863,357</u>

See independent auditors' report.

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