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RACISM

***FINANCIAL STATEMENTS
AND INDEPENDENT AUDITORS' REPORT***

FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012

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**FINANCIAL STATEMENTS
AND INDEPENDENT AUDITORS' REPORT
FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012
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Independent Auditors' Report on Financial Statements

To the Board of Directors
ERASE Racism, Inc.
Syosset, New York 11791-4401

We have audited the accompanying financial statements of ERASE Racism, Inc. ("ERASE," a not-for-profit corporation), which comprise the statement of financial position as of December 31, 2013 and 2012, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these 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 audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the 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 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 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 financial statements referred to above present fairly, in all material respects, the financial position of ERASE Racism, Inc. as of December 31, 2013 and 2012, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Cerini & Associates LLP

May 6, 2014
Bohemia, New York

STATEMENTS OF FINANCIAL POSITION
DECEMBER 31,

2013

2012

ASSETS

Current Assets:

Cash and cash equivalents.....	\$ 63,445	\$ 36,208
Restricted cash and cash equivalents (Note 7).....	64,083	124,636
Contributions and grants receivable.....	4,940	3,785
Prepaid expenses and other current assets.....	5,069	8,611

TOTAL CURRENT ASSETS 137,537 173,240

Property and equipment, net of accumulated depreciation (Note 2).....	9,619	11,651
Security deposit.....	6,969	6,969

TOTAL ASSETS \$ 154,125 \$ 191,860

LIABILITIES AND NET ASSETS

Current Liabilities:

Accounts payable and accrued expenses	\$ 28,780	\$ 27,149
Deferred revenue.....	2,250	-

TOTAL LIABILITIES 31,030 27,149

Commitments and contingencies (Notes 3, 4, and 6)

Net Assets:

Unrestricted.....	78,087	40,075
Temporarily restricted (Note 7).....	45,008	124,636

TOTAL NET ASSETS 123,095 164,711

TOTAL LIABILITIES AND NET ASSETS \$ 154,125 \$ 191,860

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2013

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
SUPPORT AND REVENUE (Note 3) :			
Contributions and grants (Note 7).....	186,404	\$ 45,008	\$ 231,412
Registration fees.....	-	-	-
Consulting fees.....	6,000	-	6,000
Other income.....	2,626	-	2,626
Net assets released from restrictions (Note 7).....	124,636	(124,636)	-
Gross proceeds from special events.....	292,334	-	292,334
Less: direct benefits to donors.....	(46,891)	-	(46,891)
Net proceeds from special events.....	<u>245,443</u>	<u>-</u>	<u>245,443</u>
Total Support and Revenue	565,109	(79,628)	485,481
EXPENSES:			
Program services:			
Housing.....	262,389	-	262,389
Education.....	19,454	-	19,454
Healthcare.....	1,290	-	1,290
Public education/seminars.....	15,153	-	15,153
Partner.....	37,680	-	37,680
Racism research.....	50,687	-	50,687
Youth.....	<u>23,737</u>	<u>-</u>	<u>23,737</u>
Total Program Services	410,390	-	410,390
Supporting services:			
Management and general.....	72,353	-	72,353
Development.....	<u>44,354</u>	<u>-</u>	<u>44,354</u>
Total Supporting Services	<u>116,707</u>	<u>-</u>	<u>116,707</u>
Total Expenses	<u>527,097</u>	<u>-</u>	<u>527,097</u>
Change in net assets.....	38,012	(79,628)	(41,616)
Net assets, beginning of year.....	<u>40,075</u>	<u>124,636</u>	<u>164,711</u>
Net assets, end of year.....	<u>\$ 78,087</u>	<u>\$ 45,008</u>	<u>\$ 123,095</u>

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2012

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
SUPPORT AND REVENUE (Note 3) :			
Contributions and grants (Note 7).....	\$ 143,095	\$ 107,306	\$ 250,401
Registration fees.....	11,700	-	11,700
Consulting fees.....	12,842	-	12,842
Other income.....	4,725	-	4,725
Net assets released from restrictions (Note 7).....	206,731	(206,731)	-
Gross proceeds from special events.....	265,435	-	265,435
Less: direct benefits to donors.....	(59,666)	-	(59,666)
Net proceeds from special events.....	<u>205,769</u>	<u>-</u>	<u>205,769</u>
Total Support and Revenue	584,862	(99,425)	485,437
EXPENSES :			
Program services:			
Housing.....	237,067	-	237,067
Education.....	21,308	-	21,308
Healthcare.....	931	-	931
Public education/seminars.....	36,579	-	36,579
Partner.....	37,298	-	37,298
Racism research.....	40,017	-	40,017
Youth.....	<u>13,685</u>	<u>-</u>	<u>13,685</u>
Total Program Services	386,885	-	386,885
Supporting services:			
Management and general.....	58,750	-	58,750
Development.....	<u>42,415</u>	<u>-</u>	<u>42,415</u>
Total Supporting Services	101,165	-	101,165
Total Expenses	488,050	-	488,050
Change in net assets.....	96,812	(99,425)	(2,613)
Net (deficit)/assets, beginning of year.....	<u>(56,737)</u>	<u>224,061</u>	<u>167,324</u>
Net assets, end of year.....	<u>\$ 40,075</u>	<u>\$ 124,636</u>	<u>\$ 164,711</u>

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2013

	Program Services										Supporting Services		Total Expenses
	Housing	Education	Healthcare	Public Education/ Seminars	Partner	Racism Research	Youth	Total Program	Management and General	Development			
Staff leasing expense	\$ 164,433	\$ 15,047	\$ 1,182	\$ 12,304	\$ 25,643	\$ 38,388	\$ 15,100	\$ 272,097	\$ 36,927	\$ 20,832	\$ 329,856		
Professional fees	72,682	2,364	11	1,327	422	1,360	2,027	80,193	17,526	14,811	112,530		
Telecommunications	2,791	163	9	53	286	407	215	3,924	1,349	296	5,569		
Equipment and maintenance	646	75	4	43	233	2,240	80	3,321	1,713	126	5,160		
Supplies	161	27	-	165	233	760	489	1,835	1,792	1,399	9,026		
Conferences	351	-	-	450	106	140	2,921	3,828	1,423	-	5,251		
Travel and entertainment	2,751	52	-	307	223	140	71	3,544	149	149	3,842		
Postage and delivery	30	69	-	5	1,394	200	12	1,710	308	2,088	4,106		
Occupancy (Note 4)	6,994	855	43	258	1,458	2,105	1,117	12,770	4,526	1,284	18,580		
Utilities	2,084	257	14	81	444	631	334	3,845	917	403	5,165		
Printing and production	253	-	-	-	6,110	178	141	6,682	350	-	7,032		
Insurance	3,066	353	17	102	627	954	481	5,600	1,423	518	7,541		
Donation expense	-	-	-	-	-	2,854	500	8,183	3,260	2,160	13,603		
Miscellaneous	4,654	-	-	-	175	470	249	2,858	690	288	3,836		
Depreciation (Note 2)	1,553	192	10	58	326	470	249	2,858	690	288	3,836		
	\$ 262,389	\$ 19,454	\$ 1,290	\$ 15,153	\$ 37,680	\$ 50,687	\$ 23,737	\$ 410,390	\$ 72,353	\$ 44,354	\$ 527,097		

The accompanying notes are an integral part of these financial statements.

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2012

	Program Services										Supporting Services			Total Expenses
	Housing	Education	Healthcare	Public Education/ Seminars	Partner	Racism Research	Youth	Total Program	Management and General	Development	Total			
Staff leasing expense	\$ 163,622	\$ 14,104	\$ 722	\$ 8,285	\$ 29,653	\$ 30,060	\$ 7,331	\$ 253,777	\$ 24,226	\$ 27,398	\$ 305,401			
Professional fees	39,976	3,545	16	18,290	683	388	4,099	66,997	15,068	4,834	86,899			
Telecommunications	2,589	431	8	64	429	251	121	3,893	1,937	318	6,148			
Equipment and maintenance	2,772	109	9	56	523	2,354	55	5,878	566	248	6,692			
Supplies	1,948	140	5	129	193	273	30	2,718	1,040	732	4,490			
Conferences	135	140	*	4,497	188	1,137	797	6,894	842	586	8,322			
Travel and entertainment	883	1,322	97	4,325	74	293	120	7,114	508	436	8,058			
Postage and delivery	*	54	*	*	376	190	*	620	1,261	1,653	3,534			
Occupancy (Note 4)	6,946	644	40	322	1,730	724	402	10,808	4,597	1,166	16,571			
Utilities	2,363	219	13	106	562	3,654	140	3,654	887	406	4,947			
Printing and production	6,874	340	*	345	1,818	1,329	*	10,706	*	*	10,706			
Insurance	2,709	181	21	101	667	85	51	3,815	4,015	51	7,881			
Donation expense	5,185	*	*	*	185	2,485	500	8,355	3,735	1,906	14,593			
Miscellaneous	1,065	79	*	59	217	197	39	1,656	68	2,503	1,902			
Depreciation (Note 2)	237,067	21,308	931	36,579	37,298	40,017	13,685	386,885	58,750	42,415	488,050			
	\$ 237,067	\$ 21,308	\$ 931	\$ 36,579	\$ 37,298	\$ 40,017	\$ 13,685	\$ 386,885	\$ 58,750	\$ 42,415	\$ 488,050			

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31,

2013 2012

CASH FLOWS FROM OPERATING ACTIVITIES:

Change in net assets.....	\$ (41,616)	\$ (2,613)
<u>Adjustment to reconcile change in net assets</u> <u>to net cash provided by operating activities:</u>		
Depreciation expense.....	3,836	1,902
<u>Changes in operating assets and liabilities:</u>		
Restricted cash and cash equivalents.....	60,553	35,290
Contributions and grants receivable.....	(1,155)	26,124
Prepaid expenses and other current assets.....	3,542	(4,751)
Accounts payable and accrued expenses.....	1,631	3,618
Deferred revenue.....	2,250	(12,312)
	<u>29,041</u>	<u>47,258</u>
Net cash provided by operating activities	29,041	47,258

CASH FLOWS USED IN INVESTING ACTIVITIES:

Purchases of property and equipment.....	<u>(1,804)</u>	<u>(11,050)</u>
Net change in cash and cash equivalents	27,237	36,208
Cash and cash equivalents, beginning of year.....	<u>36,208</u>	<u>—</u>
Cash and cash equivalents, end of year.....	<u>\$ 63,445</u>	<u>\$ 36,208</u>

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies of ERASE Racism, Inc. (hereinafter "ERASE") is presented to assist in understanding ERASE's financial statements. The financial statements and notes are representations of ERASE's management, who is responsible for the integrity and objectivity of the financial statements. These accounting policies conform to accounting principles generally accepted in the United States of America and have been consistently applied in the preparation of the financial statements.

Organization: ERASE was founded in 2001 as an initiative of The Long Island Community Foundation ("LICF"), a division of The New York Community Trust ("NYCT"). It operates as an education and networking hub for leaders from nonprofits; local government; businesses; community groups; and health, education, welfare, and philanthropic organizations who are motivated to rid the region of institutional racism. In December of 2003, ERASE was incorporated in New York State. During 2004, ERASE obtained its tax-exempt status and separated from NYCT.

ERASE is a regional organization that leads public policy advocacy campaigns and related educational and programmatic initiatives to promote racial equity in areas such as housing, public school education, and healthcare, primarily on Long Island. Because of ERASE's work, racism—long a taboo subject—has become part of the regular discourse of public officials and other regional leaders. Consequently, ERASE's call to address racial inequity is now given serious consideration by regional leaders.

ERASE primarily receives its support from foundation and corporate grants and contributions, as well as an annual event, for the support of its efforts to engage individuals and organizations in educational and problem solving activities designed to increase public awareness of the history and effects of institutional racism in the region and to promote policies and practices that address the disparities and inequities resulting from institutional racism. Individual contributions and program fees provide additional support.

Cash and Cash Equivalents: All short-term investments with original maturities of three months or less are accounted for as cash equivalents and includes checking, savings, and money market accounts.

Income Tax Status: ERASE is exempt from federal income tax under Internal Revenue Code Section 501(c)(3), is publicly supported, as described in Section 509(a), and does not conduct unrelated business activities.

ERASE evaluated its activities for uncertain tax positions and has determined that there were no uncertain tax positions for 2013 and 2012.

Tax returns for the years ended December 31, 2010, 2011, 2012, and 2013 are open for examination by federal, state, and local authorities. ERASE has determined that it has registered in all states where it is required to be registered.

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of Accounting: The financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Revenue Recognition: ERASE recognizes revenue from grants and contributions in the period these grants are pledged. Revenue received under these grants and contributions is usually unrestricted as to use. All other contributions are recognized as revenue upon the receipt of cash.

Financial Statement Presentation: ERASE is required to report information regarding its financial position and activities according to three classes of net assets; unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Unrestricted - Net assets that are not subject to donor-imposed stipulations.

Temporarily Restricted - Net assets subject to donor-imposed stipulations that may or will be met, either by action of ERASE and/or the passage of time.

Permanently Restricted - Net assets subject to donor-imposed stipulations that they be maintained permanently by ERASE. Generally, the donors of these assets would permit ERASE to use all or part of the income earned on any related investments for general purposes. ERASE did not have any permanently restricted net assets as of December 31, 2013 and 2012.

Contributions: Contributions are recognized when the donor makes a promise to give to ERASE that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily restricted net assets. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

Use of Estimates: The presentation 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 the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from these estimates.

Property and Equipment: Property and equipment are stated at cost. Those assets acquired by donation are carried at fair market value established at the date of acquisition. Maintenance and repairs are charged to expense and betterments in excess of \$1,000 are capitalized.

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Depreciation expense is computed using the straight-line method over each asset's estimated useful life as follows:

	<u>Years</u>
Furniture and fixtures.....	7
Office equipment.....	3-5
Computer equipment	3

A half-year of depreciation is generally provided for in the years of acquisition and disposal.

Functional Allocation of Expenses: The costs of providing the various programs and other activities have been summarized on a functional basis in the statements of activities and functional expenses. Expenses have been allocated between program services and support services based on an analysis of personnel time for related activities. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of ERASE.

Grants and Contributions Receivable: Grants and contributions receivable include unconditional promises to give. Management deems all grants and contributions receivable at December 31, 2013 fully collectible. As such, no reserve for doubtful accounts has been established.

Leased Employees: ERASE has a year-to-year contract with Alcott Staff Leasing, Inc. ("Alcott"), a professional employer organization for leased employees. Alcott provides comprehensive human resource services to ERASE and is responsible for personnel, administrative, and benefits management functions, as well as payroll processing. Since Alcott is the employer of record for all employees assigned to ERASE, they are included in the Alcott quarterly Internal Revenue Service ("IRS") Form 941, New York State Form NYS-45, and statutory New York State disability and workers compensation filings. Alcott carries a surety bond of one million dollars, and in addition to an annual financial statement audit, undergoes quarterly agreed-upon procedures engagements intended to provide substantial assurance that all appropriate payroll taxes are paid and filed when due.

Donated Services: Certain individuals with specific expertise provide services to ERASE on a pro-bono basis that ERASE would have paid for if they had not been donated. Such amounts have been recorded as both donated income and related expense. During 2012, ERASE received \$1,800 worth of donated services related to consulting expenses. ERASE did not receive any donated services during 2013. In addition, many individuals expend a significant level of time performing a variety of program functions and other tasks for ERASE, which do not require specific expertise. As such, these amounts are not reflected as donated services in the accompanying financial statements.

Events Occurring After Report Date: ERASE has evaluated events and transactions that occurred between January 1, 2014 and May 6, 2014, which is the date the financial statements were available to be issued, for possible disclosure and recognition in the financial statements.

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012**

NOTE 2 - PROPERTY AND EQUIPMENT

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

	<u>2013</u>	<u>2012</u>
Furniture and fixtures.....	\$ 10,800	\$ 10,800
Office equipment.....	4,750	4,750
Computer equipment.....	16,118	14,315
	<u>31,668</u>	<u>29,865</u>
Less accumulated depreciation.....	(22,049)	(18,214)
Net carrying value.....	<u>\$ 9,619</u>	<u>\$ 11,651</u>

NOTE 3 - CONCENTRATIONS OF CREDIT RISK AND SUPPORT

In both 2013 and 2012, ERASE held a fundraiser, which raised approximately 61% and 41% of total contribution revenue recognized, respectively. Approximately 16% and 31% of total revenue in 2013 and 2012, respectively, was from one donor.

NOTE 4 - LEASED FACILITIES

On January 6, 2011, ERASE entered into a lease for its current facilities in Syosset, New York that expired on January 31, 2013 at a monthly rent payment of \$1,700. On January 31, 2013, the lease was amended to extend the lease term to January 1, 2015 and increase the monthly rent payment to \$1,795.50 during the first twelve-month period and \$1,849.37 for the remainder of the lease term.

In addition to the rental agreement, ERASE also entered into a storage lease agreement on August 28, 2012 for use of storage space at its current location with monthly payments of \$120. The storage lease will expire upon the expiration of the office lease.

ERASE was also a lessee under a non-cancelable equipment lease requiring a monthly payment of \$120, with an expiration date of September 2012. This lease was renewed in May 2012, with the lease term extended to September 2015 and the monthly payment increased to \$130.

Future obligations under these leases are as follows for the years ending December 31,:

	<u>Rent</u>	<u>Storage</u>	<u>Equipment</u>	<u>Total</u>
2014.....	\$ 22,139	\$ 1,440	\$ 1,560	\$ 25,139
2015.....	1,849	120	1,170	3,139
	<u>\$ 23,988</u>	<u>\$ 1,560</u>	<u>\$ 2,730</u>	<u>\$ 28,278</u>

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012**

NOTE 5 - OPERATIONS

The overall mission that has guided ERASE's work from its inception continued in 2013. This mission is to expose forms of racial discrimination and advocate for laws and policies that help eliminate racial disparities, particularly in the areas of housing, community development, public education, and health.

Accomplishments during 2013

Housing and community development

ERASE continued to investigate structures, policies, and practices that result in racial inequities, for example:

- ERASE partnered with the Fair Share Housing Center of New Jersey to advocate for fair housing goals to be incorporated into the Sandy Relief package. Letters were drafted to the New York and New Jersey congressional delegations, as well as the New York State Division of Homes and Community Renewal in order to ensure that fair housing laws were not waived for federal relief funds. Additionally, ERASE used the opportunity to advocate for an increase in the Low Income Housing Tax Credits used to build affordable housing for the New York/New Jersey region.
- After reviewing the New York State Division of Homes and Community Renewal's Action Plan for receipt of Sandy Relief funds, ERASE submitted comments highlighting concerns that the Action Plan did not address the racial and ethnic composition of areas affected by Sandy, and did not address how low-income residents would be affected by the Action Plan. Letters were submitted by ERASE analyzing subsequent Action Plan drafts and providing recommendations to ensure compliance with fair housing.
- In order to protect renters from discrimination based on their source of income, ERASE and other partners spearheaded a campaign to amend laws in Suffolk County.
- As a result of ERASE's efforts, the Regional Plan Association extended the process for drafting the Fair Housing and Equity Assessment (FHEA) and created an Advisory Committee to assist with the FHEA process.
- ERASE Racism, the Fair Housing Justice Center (FHJC), and three African American testers filed a lawsuit in federal district court alleging that the owners and managers of an apartment building in the Village of Mineola discriminate against African American renters. This followed a 2012 investigation which was jointly funded and sponsored by ERASE Racism and FHJC. The suit alleges that the defendants' conduct constitutes racial discrimination in violation of the federal Fair Housing Act. The suit also alleges racial discrimination in violation of the Nassau County Human Rights Law. As of the report date, the lawsuit is still in litigation.
- To continue and expand ERASE's legal action work a staff attorney was hired in late 2013.

Influencing student leadership

ERASE has encouraged students to support the goal of racial equity in the following ways:

- To promote racial equality among high school students, ERASE held two forums during 2013. A \$7,500 grant was received from the Manhasset Community Fund to promote racial equality throughout schools located in North Hempstead

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012**

NOTE 5 - OPERATIONS (continued)

Changing public perceptions of race and racism

ERASE's training and consultation, conferences on public education and housing, and staff development in public schools have influenced individual and collective behaviors. In 2013, educational events (not including those related to the Student Leadership Forum or the Education Equity Initiative) included:

- The 11th Anniversary Celebration and Annual Benefit (which was both a fundraiser and an educational event). All of the honorees' remarks highlighted the urgent problem of educational inequities on Long Island. There were over 350 guests in attendance.
- The Annual Youth Roundtable event for Long Island high school students.

Educating and mobilizing Long Islanders

In 2013, efforts continued to expand the constituency of racial equity partners, for example:

- ERASE led diversity trainings sponsored by Farmingdale College's Multicultural Committee to teach about how people and institutions can respond to impacts of racism and other forms of oppression. The Multicultural Committee has contracted with ERASE to run trainings with over 275 students in 2014.
- ERASE hosted a Civil Rights Forum at the Touro Law Center. In attendance were members of the ERASE Racism Board of Directors, College of Advisors and other supporters. The presentations and discussion focused on recent Supreme Court decisions focused on voting rights, affirmative action in higher education, employment discrimination and marriage equality.

Education equity initiative

The objective of ERASE Racism's Education Equity Initiative is to create racially and ethnically diverse, high performing public schools throughout the region. For example:

- ERASE announced four new subcommittees for the Education Equity Working Group that will help move the goal of education equity into action. The sub-committees, who had their introductory calls during the year, will focus on the following areas going forward:
 - Structural Strategies: focusing on re-districting, magnet schools, inter-district transfers, and other mechanisms that would move beyond the current rigid school district boundaries.
 - Pedagogy: exploring the impact of the International Baccalaureate Program (IB) as a tool for academic rigor and racial integration, combating implicit bias in the classroom, strategies to reduce the achievement gap, and incentives for cultural competency training for public school teachers and administrators.
 - Funding: exploring new ways to use funding to decrease the academic gap, such as providing universal pre-K, altering state and commercial and residential tax funding formulae to increase resources where needed.
 - Current Affairs: Evaluating state-wide education policies and local school district policies and practices for potentially harmful effects on education equity, educating others and formulating appropriate responses.

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012**

NOTE 6 - LINE OF CREDIT

Erase has a line of credit ("LOC") with Bethpage Federal Credit Union which allows borrowings of up to \$50,000, and charges an interest rate of 4.75%. There was no borrowing against this LOC at December 31, 2013 and 2012. The LOC is renewed annually.

NOTE 7 - TEMPORARILY RESTRICTED NET ASSETS

Assets were restricted for the following purposes as of December 31,:

	<u>2013</u>	<u>2012</u>
Fair Housing Project - Ford Foundation (Available for use October 1, 2012 to September 30, 2013).....	\$ -	\$ 107,306
Fair Housing Project - Lawyer's Committee for Civil Rights under Law.....	-	17,330
Fair Housing Project - Long Island Utilitarian Universalist.....	20,000	-
Fair Housing Project - Anti-Discrimination Center, Inc.....	171	-
Various Contributions - Special Lawyer's Fund.....	12,895	-
Education - Long Island Community Foundation.....	11,942	-
	<u>\$ 45,008</u>	<u>\$ 124,636</u>

The rollforward of temporarily restricted net assets was as follows for the years ending December 31,:

	<u>2013</u>	<u>2012</u>
Restricted at beginning of year.....	\$ 124,636	\$ 224,061
Restricted contributions (net).....	45,008	107,306
Assets released from restriction:		
Originated in 2010.....	-	(172,690)
Originated in 2011.....	(17,330)	(34,041)
Originated in 2012.....	(107,306)	-
Restricted at end of year.....	<u>\$ 45,008</u>	<u>\$ 124,636</u>

Donor-restricted contributions whose restrictions are met in the same reporting period are reported as unrestricted support. During the years ended December 31, 2013 and 2012, ERASE received \$110,982 and \$42,694, respectively, in contributions whose restrictions had been met within the year of contribution and have been reflected as unrestricted in the accompanying statements of activities.

Cash and cash equivalents have been restricted in accordance with temporarily restricted net assets held at year-end. At December 31, 2013 and 2012, restricted net assets of \$45,008 and \$124,636 consisted entirely of restricted cash and cash equivalents, respectively.