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RACISM

*FINANCIAL STATEMENTS
AND INDEPENDENT AUDITORS' REPORT*

FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016



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**FINANCIAL STATEMENTS
AND INDEPENDENT AUDITORS' REPORT
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016
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Independent Auditors' Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of ERASE Racism, Inc. ("ERASE," a not-for-profit corporation), which comprise the statements of financial position as of December 31, 2017 and 2016, 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 ERASE'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 ERASE'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 as of December 31, 2017 and 2016, 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

March 8, 2018
Bohemia, New York

ERASE RACISM, INC.

**STATEMENTS OF FINANCIAL POSITION
DECEMBER 31,**

2017 2016

ASSETS		
Current Assets:		
Cash and cash equivalents.....	\$ 123,556	\$ 242,549
Restricted cash and cash equivalents (Note 7).....	68,429	12,918
Contributions and grants receivable (Notes 4 and 7).....	163,597	60,300
Prepaid expenses and other current assets.....	8,362	8,419
	<u>363,944</u>	<u>324,186</u>
TOTAL CURRENT ASSETS		
Property and equipment, net of accumulated depreciation	-	1,512
Security deposit.....	6,969	6,969
Contributions and grants receivable, net of current portion (Notes 4 and 7).....	7,886	-
	<u>7,886</u>	<u>-</u>
	<u>\$ 378,799</u>	<u>\$ 332,667</u>
TOTAL ASSETS		
LIABILITIES AND NET ASSETS		
Current Liabilities:		
Accounts payable and accrued expenses	\$ 42,849	\$ 38,211
Deferred revenue.....	1,500	1,500
	<u>44,349</u>	<u>39,711</u>
TOTAL LIABILITIES		
Commitments and contingencies (Notes 2, 3, 5, and 7)		
Net Assets:		
Unrestricted.....	163,488	280,038
Temporarily restricted (Note 7).....	170,962	12,918
	<u>334,450</u>	<u>292,956</u>
TOTAL NET ASSETS		
TOTAL LIABILITIES AND NET ASSETS		
	<u>\$ 378,799</u>	<u>\$ 332,667</u>

**STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2017**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
SUPPORT AND REVENUE (Note 2) :			
Contributions and grants (Notes 4 and 7).....	\$ 337,026	\$ 170,962	\$ 507,988
Registration fees.....	1,867	-	1,867
Consulting fees.....	10,560	-	10,560
Other income (Note 6).....	1,379	-	1,379
Net assets released from restrictions (Note 7).....	12,918	(12,918)	-
Gross proceeds from special events.....	215,996	-	215,996
Less: direct benefits to donors.....	(54,758)	-	(54,758)
Net proceeds from special events.....	161,238	-	161,238
Total Support and Revenue	524,988	158,044	683,032
 EXPENSES:			
Program services:			
Housing.....	25,287	-	25,287
Education.....	228,828	-	228,828
Healthcare.....	122	-	122
Public education/seminars.....	22,236	-	22,236
Partner.....	97,688	-	97,688
Racism research.....	86,990	-	86,990
Total Program Services	461,151	-	461,151
 Supporting services:			
Management and general.....	36,794	-	36,794
Development.....	143,593	-	143,593
Total Supporting Services	180,387	-	180,387
Total Expenses	641,538	-	641,538
Change in net assets.....	(116,550)	158,044	41,494
Net assets, beginning of year.....	280,038	12,918	292,956
Net assets, end of year.....	\$ 163,488	\$ 170,962	\$ 334,450

**STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2016**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
SUPPORT AND REVENUE (Note 2) :			
Contributions and grants (Notes 4 and 7).....	\$ 431,131	\$ 12,918	\$ 444,049
Registration fees.....	5,450	-	5,450
Consulting fees.....	800	-	800
Other income (Note 6).....	39,916	-	39,916
Net assets released from restrictions (Note 7).....	50,185	(50,185)	-
Gross proceeds from special events.....	236,744	-	236,744
Less: direct benefits to donors.....	(52,271)	-	(52,271)
Net proceeds from special events.....	184,473	-	184,473
Total Support and Revenue	711,955	(37,267)	674,688
EXPENSES :			
Program services:			
Housing.....	187,727	-	187,727
Education.....	143,727	-	143,727
Healthcare.....	86	-	86
Public education/seminars.....	20,052	-	20,052
Partner.....	115,934	-	115,934
Racism research.....	82,313	-	82,313
Total Program Services	549,839	-	549,839
Supporting services:			
Management and general.....	29,076	-	29,076
Development.....	69,878	-	69,878
Total Supporting Services	98,954	-	98,954
Total Expenses	648,793	-	648,793
Change in net assets.....	63,162	(37,267)	25,895
Net assets, beginning of year.....	216,876	50,185	267,061
Net assets, end of year.....	\$ 280,038	\$ 12,918	\$ 292,956

**STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2017**

	Program Services						Supporting Services		Total Expenses	
	Housing	Education	Healthcare	Public Education/ Seminars	Partner	Racism Research	Total Program	Management and General		Development
Staff leasing expense	\$ 17,706	\$ 172,653	\$ 121	\$ 14,698	75,745	\$ 69,559	\$ 350,482	\$ 8,305	\$ 118,955	\$ 477,742
Professional fees	264	20,713	1	3,151	1,948	996	27,073	13,450	6,720	47,243
Telecommunications	121	2,771	-	45	2,272	210	5,419	1,491	588	7,498
Equipment and maintenance	81	1,645	-	28	452	6,729	8,935	424	386	9,745
Supplies	-	441	-	40	636	435	1,552	2,337	598	4,487
Conferences	244	6,621	-	1,019	1,170	-	9,054	693	15	9,762
Travel and entertainment	1,061	2,333	-	2,419	1,434	26	7,273	729	145	8,147
Postage and delivery	-	64	-	24	1,162	225	1,475	398	2,317	4,190
Occupancy (Note 3)	732	7,250	-	270	4,233	1,260	13,745	3,676	3,570	20,991
Utilities	192	1,887	-	68	1,088	435	3,670	649	914	5,233
Printing and production	-	8,412	-	356	822	-	9,590	-	-	9,590
Insurance	1,873	2,926	-	99	1,663	492	7,053	1,023	1,511	9,587
Advertising	-	500	-	-	3,946	1,240	5,686	-	370	6,056
Miscellaneous	2,953	56	-	-	796	5,288	9,093	3,430	7,232	19,755
Depreciation	60	556	-	19	321	95	1,051	189	272	1,512
	<u>\$ 25,287</u>	<u>\$ 228,828</u>	<u>\$ 122</u>	<u>\$ 22,236</u>	<u>\$ 97,688</u>	<u>\$ 86,990</u>	<u>\$ 461,151</u>	<u>\$ 36,794</u>	<u>\$ 143,593</u>	<u>\$ 641,538</u>

**STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2016**

	Program Services						Supporting Services		Total Expenses	
	Housing	Education	Healthcare	Public Education / Seminars	Partner	Racism Research	Total Program	Management and General		Development
Staff leasing expense	161,438	\$ 116,082	\$ 85	\$ 10,802	\$ 94,011	\$ 61,228	\$ 443,646	\$ 3,334	\$ 37,533	\$ 484,513
Professional fees	2,132	14,107	1	3,099	2,074	4,102	25,515	12,554	17,195	55,264
Telecommunications	762	777	-	43	3,532	252	5,366	1,268	297	6,931
Equipment and maintenance	659	946	-	31	587	7,679	9,902	286	242	10,430
Supplies	-	321	-	63	239	1,307	1,930	1,672	586	4,188
Conferences	2,230	298	-	3,437	783	19	6,767	579	56	7,402
Travel and entertainment	2,914	1,834	-	1,824	717	19	7,308	362	506	8,176
Postage and delivery	1,299	396	-	21	1,966	225	3,907	167	1,987	6,061
Occupancy (Note 3)	4,282	4,560	-	252	4,605	1,490	15,189	3,492	1,725	20,406
Utilities	1,101	1,159	-	66	1,191	383	3,900	604	439	4,943
Printing and production	3,836	527	-	272	698	54	5,387	-	-	5,387
Insurance	2,224	1,698	-	108	2,212	602	6,844	985	912	8,741
Advertising	-	-	-	-	1,955	1,000	2,955	-	2,000	4,955
Miscellaneous	4,235	373	-	-	708	3,740	9,056	3,486	6,145	18,687
Depreciation	615	649	-	34	656	213	2,167	287	255	2,709
	<u>\$ 187,727</u>	<u>\$ 143,727</u>	<u>\$ 86</u>	<u>\$ 20,052</u>	<u>\$ 115,934</u>	<u>\$ 82,313</u>	<u>\$ 549,839</u>	<u>\$ 29,076</u>	<u>\$ 69,878</u>	<u>\$ 648,793</u>

ERASE RACISM, INC.

**STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31,**

2017

2016

CASH FLOWS FROM OPERATING ACTIVITIES:

Change in net assets.....	\$ 41,494	\$ 25,895
<u>Adjustment to reconcile change in net assets to net cash (used in)/provided by operating activities:</u>		
Depreciation expense.....	1,512	2,709
<u>Changes in operating assets and liabilities:</u>		
Restricted cash and cash equivalents.....	(55,511)	37,267
Contributions and grants receivable.....	(111,183)	(5,304)
Prepaid expenses and other current assets.....	57	6,326
Accounts payable and accrued expenses.....	4,638	(2,093)
Deferred revenue.....	-	1,500
	<hr/>	<hr/>
Net cash (used in)/provided by operating activities	(118,993)	66,300
Cash and cash equivalents, beginning of year.....	242,549	176,249
	<hr/>	<hr/>
Cash and cash equivalents, end of year.....	<u>\$ 123,556</u>	<u>\$ 242,549</u>

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016**

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. Fiscal year 2016 represents ERASE's thirteenth full year of independent operation.

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 include 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 2017 and 2016.

Tax returns for the years ended December 31, 2014, 2015, 2016, and 2017 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, 2017 AND 2016

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, 2017 and 2016.

Contributions: Contributions are recognized when the donor makes a promise to give 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 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.

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

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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, 2017 and 2016 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 \$1 million, 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 have provided services to ERASE on a pro-bono basis, which they would have paid for, had they not been donated. Such amounts have been recorded as both donated income and related expense. ERASE did not receive any donated services during 2017 or 2016. 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, 2018 and March 8, 2018, which is the date the financial statements were available to be issued, for possible disclosure and recognition in the financial statements. During 2017, ERASE was notified that one of its primary funders can no longer support ERASE's programs.

NOTE 2 - CONCENTRATIONS OF CREDIT RISK AND SUPPORT

Approximately 45% of total revenue in both 2017 and 2016 was from two donors.

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016**

NOTE 3 - LEASED FACILITIES

On January 6, 2011, ERASE amended an existing lease for its current facilities in Syosset, New York, to extend the lease term to January 31, 2013 with a monthly payment of \$1,700. On January 31, 2013, the lease expiration date, the contract was amended again to extend the lease term to January 1, 2015 with a monthly rent payment of \$1,795 during the first twelve-month period and \$1,849 for the remainder of the lease term. On November 19, 2014, the lease was again extended for a two-year period through January 31, 2017 with an increase of the monthly rent payment to \$1,934 during the first twelve-month period and \$1,980 for the remainder of the lease term. During 2017, the lease was amended twice to extend the term of the lease through January 31, 2019 with equal monthly installments of \$2,028.

Future obligations under this lease are as follows for the years ending December 31,:

2018.....	\$ 24,339
2019.....	<u>2,028</u>
Total obligation.....	<u>\$ 26,367</u>

NOTE 4 - OPERATIONS

The overall mission that has guided ERASE’s work from its inception continued in 2017. This mission is to expose forms of racial discrimination and advocate for the engagement of the public in changing laws and policies to help eliminate racial disparities, particularly in the areas of housing, community development, and public education. ERASE’s vision is to seek transformed, integrated communities in which no person’s access to opportunity is limited by race or ethnicity.

The days of rampant and violent acts of racial discrimination, fueled by racial prejudice, in the United States and on Long Island have been curbed by civil rights laws. It is well documented, however, that skin color and ancestry are still a basis for discrimination—limiting choices and producing inequitable treatment and outcomes in public education, housing, and community development. In addition, many so-called “race neutral” decisions and policies in fact result in racial discrimination, produce racially disparate impacts, and perpetuate patterns of discrimination and racial segregation. This reality underpins ERASE’s beliefs that:

- Civil rights laws must be enforced.
- Discriminatory policies must end.
- Inaction in regard to racial inequities is discrimination.

ERASE achieves its objectives via research, public education, policy advocacy, legal actions, and civic engagement of Long Island leaders, community organizations, and community residents of various ages and backgrounds.

NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016

NOTE 4 - OPERATIONS (continued)

Accomplishments during 2017

Education Equity Initiative

Although Long Island has become more diverse in recent decades, its public schools have become more segregated and unequal. ERASE Racism's **Education Equity Initiative** exhaustively documents this trend and its consequences, especially for black and Latino students. The Initiative contains multiple, interrelated elements to reduce segregation and promote integration and equity including:

- An **Education Equity Working Group** consisting of 181 area teachers, administrators, superintendents, academics, school board members, parents, and advocates who help devise solutions related to teacher diversity, public policy, professional development, and the Student Voices Campaign.
- A **Professional Development Program for Teachers** lauded for its workshops on culturally responsive pedagogy, understanding and eliminating bias, and serving diverse classrooms.
- **Student Voices Campaign** to engage, equip, and empower high school students so they become advocates for integrative learning environments in their schools, communities, and on social media.
- **Engagement of schools of education** to increase the pipeline of teachers of color.
- **Advocacy** aimed at state, local, and district policies and practices, so that they encourage rather than inhibit integration and equity.
- **Knowledge and Awareness-building** via social, alternative, and traditional media as well as workshops and forums
- **Mobilization of partners and the public** to challenge segregation and inequity.

Activities and accomplishments to advance education equity in 2017:

- ERASE Racism received a new two-year, \$200,000 grant from the W.K. Kellogg Foundation, and a renewed \$100,000 grant from the Rauch Foundation, in support of the Education Equity Initiative.
- ERASE Racism increased its Education Equity Working Group from 100 to 181 members. The EEWG's Policy Committee met regularly to form a Policy Agenda for 2018 that includes (1) increasing teacher/administrator diversity, (2) increasing culturally responsive education, (3) advancing restorative justice practices, (4) supporting the call for Pre-K for all 4-year old Long Islanders, and (5) supporting the 19 Long Island districts whose student bodies are racially diverse and/or experiencing rapid demographic change, helping them to sustain their diversity and navigate tensions that could result in segregation.
- Throughout the year, ERASE Racism provided professional development to 215 Long Island educators. Topics included *Understanding and Eliminating Bias, Culturally Responsive Pedagogy,*

NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016

NOTE 4 - OPERATIONS (continued)

Addressing Sensitive Issues through Children's Literature, and Understanding Racism in a 21st Century World.

- In March 2017, ERASE Racism launched its Student Voices Campaign with 51 diverse students and educators from three school districts. The Campaign gained full-time staff support with the hiring of an Education Equity Organizer in May 2017. The Organizer subsequently led school-based forums and discussions for students at several high schools including Amityville, Half Hollow Hills, and Hewlett Woodmere, as well as issued a call to action around the tragic events in Charlottesville, VA in August 2017.

The Campaign's 2017 activities culminated with the first *Long Island's Leaders of Tomorrow* event. Nearly 70 diverse students from 16 high schools convened for a full day of a leadership development, an informative overview and discussion about the role of racism in the development of the Long Island suburb, and interactive learning activities. This event also produced a core Student Task Force for Racial and Socioeconomic Equity which has met regularly in 2018.

In all, the Student Voices Campaign reached more than 250 young Long Islanders in 2017.

- ERASE Racism has been in conversations with Hofstra University's National Center for Suburban Studies, Long Island University C.W. Post Research Collaborative, and professors at Teachers College, Columbia University. Hofstra is conducting complementary research regarding teacher diversity. Faculty at Hofstra and C.W. Post are members of the EEWG. Through a collaboration with Teachers College and the Rauch Foundation, ERASE Racism is able to offer scholarships to select districts for teachers and administrators to attend the 2018 Reimagining Education Summer Institute. LIU researchers have surveyed LI teachers about Professional Development needs.
- In collaboration with partner organizations, ERASE Racism offered recommendations on a *Draft Policy Statement on Promoting Diversity: Integration in New York State*, prepared by Columbia University Center for Public Research and Leadership for the New York State Board of Regents. On June 21, 2017, ERASE Racism's president was one of a few selected nonprofit leaders to participate in a meeting of the Board of Regents Research Work Group, which has been given responsibility to oversee the work of the Board of Regents and the State Education Department to promote greater diversity within New York's schools and school districts.
- ERASE Racism sent 3 *EMERGE* e-newsletters to 3,500 subscribers. The newsletters included tips on using technology to facilitate student meetings, links to helpful teaching resources, highlights of ERASE Racism's Student Voices Campaign and Education Equity Working Group, profiles of students participating in the Student Voices Campaign, professional development opportunities, and other useful information.

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016**

NOTE 4 - OPERATIONS (continued)

- ERASE Racism produced a much lauded infographic illustrating how public school segregation on Long Island has worsened in the past 12 years, even as overall diversity has grown. In addition to being well received by the public, the Regent representing Long Island disseminated it to the other Regents, provoking a discussion among the New York State Board of Regents about school segregation and the importance of diversity.

Inclusive Housing Program

The Inclusive Housing Program promotes effective fair housing laws, nondiscriminatory affordable housing policies, and vigilant fair housing enforcement. We also organize residents to engage in civic actions to support these activities. In recent years, we have used our research and documentation to strengthen fair housing laws, successfully litigate federal housing discrimination lawsuits, and elevate the voices of people in low-income housing.

A sampling of activities and accomplishments to advance inclusive housing in 2017:

- ERASE Racism has been in contact with attorneys overseeing *MHANY Management, Inc. v. Village of Garden City*, a housing discrimination lawsuit, in order to collaboratively seek resolution of their case and ERASE Racism's HUD complaint. Both complaints seek similar concessions from Nassau County. The MHANY case involves exclusionary zoning enacted by Garden City to block an affordable housing project on Nassau County-owned land in the town. To compound matters, Nassau County acquiesced to the opposition put forth by Garden City.

ERASE Racism filed a discrimination complaint with the federal department of Housing and Urban Development in 2014 alleging housing discrimination due to the County's housing policies and practices. Conciliation discussions involving the county, HUD, and ERASE Racism were unsuccessful with the HUD Regional Office. In the Fall of 2017, HUD's national office contacted ERASE Racism, indicating that they were now in charge of the review. This was followed by a conciliation meeting between ERASE Racism, its outside counsel, and County representatives, which is ongoing.

Community Education and Mobilizing the Partnership for Racial Equity

ERASE Racism conducted community education and mobilization of its 1,300-member strong Partnership for Racial Equity and the general public to support diversity, equity, and inclusion in our region. In September 2017, it retained a Communication Outreach Specialist to harness social, alternative, and mainstream media to provide information and shape the narrative around race; uplift stories of those impacted by racism; and foster dialogue among diverse members of our communities while motivating them to action.

In July 2017, ERASE Racism conducted its intensive, two-day Unraveling Racism Training for 28 attendees.

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016**

NOTE 4 - OPERATIONS (continued)

ERASE Racism president Elaine Gross continued to educate the public about structural racism and its legacy via lectures and presentations at area professional, advocacy, and faith-based associations and organizations, including Hofstra University; Center for Race, Culture and Social Justice; Reconstructionist Synagogue of the North Shore; and Energeia. She was a workshop co-presenter for National Coalition on School Diversity Conference.

NOTE 5 - LINE OF CREDIT

Erase has a line of credit (“LOC”) with Bethpage Federal Credit Union which allows borrowings of up to \$45,000, and charges an interest rate of 4.75%. There was no borrowing against this LOC at December 31, 2017 and 2016. The LOC is renewed annually.

NOTE 6 - OTHER INCOME

During 2015, ERASE filed as one of seven plaintiffs in a lawsuit against the managing company of an apartment complex in Commack, New York. The discrimination lawsuit was settled during 2016 at which time ERASE was awarded \$38,000. This amount is included in other income in the accompany statement of activities for the year ended December 31, 2016.

NOTE 7 - TEMPORARILY RESTRICTED NET ASSETS

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

	<u>2017</u>	<u>2016</u>
Education - Long Island Community Foundation	\$ -	\$ 5,758
Education - Rauch Foundation	49,726	7,160
Program Development - New York State Office of Children and Family Services	5,000	-
Education - Nassau Bar Foundation.....	5,000	-
Education - WK Kellogg Foundation	102,515	-
Housing - Howard Glickstein	5,000	-
Program Development - United Way of Long Island....	3,721	-
Total temporarily restricted net assets	\$ 170,962	\$ 12,918

NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016

NOTE 7 - TEMPORARILY RESTRICTED NET ASSETS (continued)

Temporarily restricted net assets changed as follows during the years ended December 31,:

	<u>2017</u>	<u>2016</u>
Restricted at beginning of year	\$ 12,918	\$ 50,185
Restricted contributions (net)	170,962	12,918
Assets released from restriction:		
Originated in 2013	-	(12,895)
Originated in 2014	-	(200)
Originated in 2015	-	(37,090)
Originated in 2016	<u>(12,918)</u>	<u>-</u>
Restricted at end of year	<u>\$ 170,962</u>	<u>\$ 12,918</u>

Donor-restricted contributions whose restrictions are met in the same reporting period are reported as unrestricted support. During the years ended December 31, 2017 and 2016, ERASE received \$254,225 and \$307,082, 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, 2017 and 2016, restricted net assets of \$170,962 and \$12,918 consisted of \$68,429 and \$12,918 of restricted cash and cash equivalents, respectively. At December 31, 2017, \$102,533 of restricted net assets were included as part of contributions and grants receivable.