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RACISM

*FINANCIAL STATEMENTS  
AND INDEPENDENT AUDITORS' REPORT*

*FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013*

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**FINANCIAL STATEMENTS  
AND INDEPENDENT AUDITORS' REPORT  
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013  
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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, 2014 and 2013, 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 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, 2014 and 2013, 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.

*Corin & Associates LLP*

March 31, 2015  
Bohemia, New York

***ERASE RACISM, INC.***

***STATEMENTS OF FINANCIAL POSITION***  
***DECEMBER 31,***

***2014***

***2013***

**ASSETS**

**Current Assets:**

Cash and cash equivalents.....	\$ 185,988	\$ 82,520
Restricted cash and cash equivalents (Note 8).....	15,195	45,008
Contributions and grants receivable.....	4,785	4,940
Prepaid expenses and other current assets.....	10,388	5,069

**TOTAL CURRENT ASSETS** 216,356 137,537

Property and equipment, net of accumulated depreciation (Note 2).....	3,967	9,619
Security deposit.....	6,969	6,969

**TOTAL ASSETS** \$ 227,292 \$ 154,125

**LIABILITIES AND NET ASSETS**

**Current Liabilities:**

Accounts payable and accrued expenses .....	\$ 36,809	\$ 28,780
Deferred revenue.....	-	2,250

**TOTAL LIABILITIES** 36,809 31,030

Commitments and contingencies (Notes 3, 4, 6, and 8)

**Net Assets:**

Unrestricted.....	175,288	78,087
Temporarily restricted (Note 8).....	15,195	45,008

**TOTAL NET ASSETS** 190,483 123,095

**TOTAL LIABILITIES AND NET ASSETS** \$ 227,292 \$ 154,125

**STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2014**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
<b>SUPPORT AND REVENUE (Note 3) :</b>			
Contributions and grants (Note 8).....	\$ 363,220	\$ 2,300	\$ 365,520
Registration fees.....	10,130	-	10,130
Consulting fees.....	1,500	-	1,500
Other income (Note 7).....	41,150	-	41,150
Net assets released from restrictions (Note 8).....	32,113	(32,113)	-
Gross proceeds from special events.....	224,471	-	224,471
Less: direct benefits to donors.....	(47,515)	-	(47,515)
Net proceeds from special events.....	<u>176,956</u>	<u>-</u>	<u>176,956</u>
<b>Total Support and Revenue</b>	625,069	(29,813)	595,256
<b>EXPENSES:</b>			
Program services:			
Housing.....	253,843	-	253,843
Education.....	18,223	-	18,223
Healthcare.....	690	-	690
Public education/seminars.....	18,784	-	18,784
Partner.....	64,601	-	64,601
Racism research.....	64,861	-	64,861
Youth.....	<u>2,324</u>	<u>-</u>	<u>2,324</u>
<b>Total Program Services</b>	423,326	-	423,326
Supporting services:			
Management and general.....	70,597	-	70,597
Development.....	<u>33,945</u>	<u>-</u>	<u>33,945</u>
<b>Total Supporting Services</b>	<u>104,542</u>	<u>-</u>	<u>104,542</u>
<b>Total Expenses</b>	<u>527,868</u>	<u>-</u>	<u>527,868</u>
Change in net assets.....	97,201	(29,813)	67,388
Net assets, beginning of year.....	<u>78,087</u>	<u>45,008</u>	<u>123,095</u>
Net assets, end of year.....	<u>\$ 175,288</u>	<u>\$ 15,195</u>	<u>\$ 190,483</u>

**STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2013**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
<b>SUPPORT AND REVENUE (Note 3) :</b>			
Contributions and grants (Note 8).....	\$ 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 8).....	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>
<b>Total Support and Revenue</b>	565,109	(79,628)	485,481
<b>EXPENSES :</b>			
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>
<b>Total Program Services</b>	410,390	-	410,390
Supporting services:			
Management and general.....	72,353	-	72,353
Development.....	<u>44,354</u>	<u>-</u>	<u>44,354</u>
<b>Total Supporting Services</b>	<u>116,707</u>	<u>-</u>	<u>116,707</u>
<b>Total Expenses</b>	<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 FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2014**

	Program Services							Supporting Services			
				Public Education / Seminars	Partner	Racism Research	Youth	Total Program	Management and General	Development	Total Expenses
Staff leasing expense	\$ 204,792	\$ 8,057	\$ 667	\$ 7,032	\$ 48,060	\$ 48,041	\$ 458	\$ 317,107	\$ 39,496	\$ 24,191	\$ 380,794
Professional fees	11,524	9,388	7	6,847	7,193	1,445	1,848	38,252	11,988	373	50,613
Telecommunications	2,828	54	-	40	533	304	-	3,759	1,241	231	5,231
Equipment and maintenance	1,063	37	-	26	355	5,200	-	6,681	293	153	7,127
Supplies	46	-	-	30	54	334	-	464	3,047	659	4,170
Conferences	370	-	-	1,480	605	-	-	2,455	761	55	3,271
Travel and entertainment	2,194	45	16	2,529	221	573	3	5,581	222	341	6,144
Postage and delivery	2,984	25	-	7	760	117	2	3,895	734	1,986	6,615
Occupancy (Note 4)	8,877	311	-	223	2,948	1,734	-	14,093	3,883	1,293	19,269
Utilities	2,365	81	-	60	779	454	-	3,739	636	348	4,723
Printing and production	5,504	-	-	354	279	651	13	6,801	-	522	7,323
Insurance	4,493	161	-	102	1,378	901	-	7,035	984	824	8,843
Miscellaneous	5,006	-	-	-	834	4,751	-	10,591	3,152	2,705	16,448
Depreciation (Note 2)	1,797	64	-	54	602	356	-	2,873	4,160	264	7,297
	\$ 253,843	\$ 18,223	\$ 690	\$ 18,784	\$ 64,601	\$ 64,861	\$ 2,324	\$ 423,326	\$ 70,597	\$ 33,945	\$ 527,868



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

	Program Services								Supporting Services		
				Public Education / Seminars	Partner	Racism Research	Youth	Total Program	Management and General	Development	Total Expenses
	Housing	Education	Healthcare								
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	5,026
Conferences	351	-	-	450	106	-	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)	6,934	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
Miscellaneous	4,654	-	-	-	175	2,854	500	8,183	3,260	2,160	13,603
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

**STATEMENTS OF CASH FLOWS****FOR THE YEARS ENDED DECEMBER 31,****2014****2013****CASH FLOWS FROM OPERATING ACTIVITIES:**

Change in net assets..... \$ 67,388 \$ (41,616)

Adjustment to reconcile change in net assets  
to net cash provided by operating activities:

Depreciation expense..... 7,297 3,836

Changes in operating assets and liabilities:

Restricted cash and cash equivalents..... 29,813 79,628

Contributions and grants receivable..... 155 (1,155)

Prepaid expenses and other current assets..... (5,319) 3,542

Accounts payable and accrued expenses..... 8,029 1,631

Deferred revenue..... (2,250) 2,250

**Net cash provided by operating activities** 105,113 48,116

**CASH FLOWS USED IN INVESTING ACTIVITIES:**

Purchases of property and equipment..... (1,645) (1,804)

**Net change in cash and cash equivalents** 103,468 46,312

Cash and cash equivalents, beginning of year..... 82,520 36,208

Cash and cash equivalents, end of year..... \$ 185,988 \$ 82,520

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013**

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**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 2014 and 2013.

Tax returns for the years ended December 31, 2011, 2012, 2013, and 2014 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, 2014 AND 2013**

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**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, 2014 and 2013.

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, 2014 AND 2013**

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**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, 2014 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 2014 or 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, 2015 and March 31, 2015, which is the date the financial statements were available to be issued, for possible disclosure and recognition in the financial statements.

Reclassification: Certain balances reflected on the statement of financial position for the year ended December 31, 2013 were reclassified to conform to the current year presentation.

**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013**

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**NOTE 2 - PROPERTY AND EQUIPMENT**

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

	<u><b>2014</b></u>	<u><b>2013</b></u>
Furniture and fixtures.....	\$ 10,800	\$ 10,800
Office equipment.....	4,750	4,750
Computer equipment.....	17,764	16,118
	<u>33,314</u>	<u>31,668</u>
Less accumulated depreciation.....	<u>(29,347)</u>	<u>(22,049)</u>
Net carrying value.....	<u>\$ 3,967</u>	<u>\$ 9,619</u>

**NOTE 3 - CONCENTRATIONS OF CREDIT RISK AND SUPPORT**

In both 2014 and 2013, ERASE held a fundraiser, which raised approximately 58% and 61% of total contribution revenue recognized, respectively. Approximately 34% and 16% of total revenue in 2014 and 2013, 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. On November 19, 2014, the lease was again extended for a two-year period with an increase of the monthly rent payment to \$1,933.82 during the first twelve-month period and \$1,979.86 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 is also a lessee under a non-cancelable equipment lease requiring a monthly payment of \$130, with an expiration date of September 2015.

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

	<u><b>Rent</b></u>	<u><b>Storage</b></u>	<u><b>Equipment</b></u>	<u><b>Total</b></u>
2015.....	\$ 23,121	\$ 1,440	\$ 1,170	\$ 25,731
2016.....	23,712	1,440	-	25,152
2017.....	1,980	120	-	2,100
	<u>\$ 48,813</u>	<u>\$ 3,000</u>	<u>\$ 1,170</u>	<u>\$ 52,983</u>

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013**

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**NOTE 5 - OPERATIONS**

The overall mission that has guided ERASE's work from its inception continued in 2014. 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 2014**

**Housing and community development**

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

- ERASE submitted a civil rights complaint to the U.S. Department of Housing and Urban Development (HUD) alleging that Nassau County discriminates against African-Americans and perpetuates racial segregation in the administration of its housing and community development programs. This complaint was accepted by HUD for investigation, which is ongoing as of the date of this report.
- ERASE, along with four other plaintiffs, reached a favorable settlement in a housing discrimination case filed against a Mineola landlord and property manager. The settlement to resolve the lawsuit *ERASE Racism, et al. v. LLR Realty LLC, et al.* provided \$165,000 in damages, attorney's fees, and costs to plaintiffs regarding the rental of apartments at the 75-unit Town House Apartments. The settlement also provided for substantial structural changes to the rental operations at the Mineola apartment building and the defendant, LLR Realty LLC, agreed to adopt and implement non-discriminatory policies to prevent future fair housing violations at the property.
- In the aftermath of Hurricane Sandy, ERASE took action to ensure that federal relief funding was utilized promptly in a nondiscriminatory manner and submitted its concerns to New York State about the oversight and distribution of the disaster relief funds. In April 2014, the organization provided a letter to the Governor's Office of Storm Recovery outlining how the proposed Action Plan for Community Development Block Grant Disaster Recovery (Amendment 6) could perpetuate racial segregation on Long Island if certain measures were not taken. ERASE hosted a briefing and roundtable discussion about the civil rights issues with attendees including law schools, legal clinics, foundations, and nonprofits addressing environmental sustainability, affordable housing development, fair housing advocacy, and social services.
- ERASE and other nonprofit organizations led a campaign to educate Suffolk County officials about the need to protect renters from discrimination based on the legal source of income utilized to pay for housing. A bill, HR 1620, was signed into law on September 24, 2014. The bill expands the County's Human Rights Law to provide residents meaningful protection from discrimination in areas including housing, employment, credit, and public accommodations.
- ERASE played a role in the Regional Planning Association's ("RPA") drafting of a Fair Housing Equity Assessment ("FHEA"). ERASE advocated for RPA to seek input from a broad cross-section of key informants with relevant knowledge and expertise, to ensure that the FHEA addressed concerns of racial minorities and included policies promoting fair housing and community revitalization. In response, RPA established an advisory committee, on which ERASE's President, Elaine Gross, is an active member. The committee produced a report and

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013**

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**NOTE 5 – OPERATIONS (continued)**

strategy recommendations, which were submitted to the Department of Housing and Urban Development.

**Changing public perceptions of race and racism**

ERASE utilized an outreach program to reveal how racial disparities continue to deeply affect people of color and the region as a whole. Its Race and Racism Dialogues have created an environment where talking about racism is no longer taboo and myths can be dispelled. ERASE has established itself as an expert on issues related to structural racism on Long Island and elsewhere, which is evidenced by numerous speaking engagements and interviews. In 2014, the organization educated the public on structural racism in the following ways:

- Ms. Gross was asked by the media to speak about structural racism on Long Island throughout the year, including an interview with a Long Island Press reporter to discuss fair housing; a meeting with the Newsday Editorial Board to inform them about recent issues relating to segregation on Long Island; and a radio interview for Touro Law School's show, "On the Docket" to talk about the connection between housing and education. ERASE's activities and accomplishments received wide exposure in the media, in publications such as Newsday, Long Island Press, Port Washington Patch, Glen Cove Patch, and in broadcast media such as News 12.
- Ms. Gross was a panelist at several public events throughout the year, including the "Brown at 60: Segregation's Suburban Legacy" conference hosted by Columbia University Teachers College, a forum on education and the civil rights movement hosted by the National Bar Association at St. John's University, and the National Coalition of 100 Black Women's forum, "Long Island at a Crossroad Revisited." In addition, she was a presenter at the Emerging Leader Program for People of Color sponsored by The Center for Nonprofit Leadership at Adelphi University and the Huntington Chapter of the National Council of Negro Women program entitled "Let's erase racism now and let freedom ring."
- On March 31, 2014, ERASE Racism held its Annual Youth Roundtable Event, an opportunity for Long Island students to learn from modern-day civil rights champions and leaders who are making a difference in the fight for racial equity.
- ERASE expanded its efforts to engage its Partnership for Racial Equity by creating a full-time community organizer position. A substantial outreach was conducted in 2014, involving personalized letters, drafted to align with 12 different denominations/faith traditions and then mailed to 519 congregations..
- ERASE partnered with Harvard University's Graduate School of Design to educate students about the changing demographic and ecological realities of the Long Island suburbs, especially focusing on Superstorm Sandy and the sustainability and equity concerns that it has raised. Subsequently, a student from the school undertook the assignment to produce a model project showing how a vacant public school could be redeveloped into a mixed-use, mixed-income housing development.



**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013**

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**NOTE 5 - OPERATIONS (continued)**

**Education equity initiative**

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

- Throughout the summer of 2014, ERASE undertook in-depth research to identify school districts that are experiencing a rapid change in their student population, specifically school districts which had been majority white but have since become more racially diverse. The goal is to form partnerships with several of the districts in order to help create policies and practices to meet the changing needs of the student body. The research included quantitative analysis, using the NY State school district report cards to measure the changing student demographics and academic performance, and qualitative research to understand issues within the school district related to education equity.
- ERASE continued to engage its Education Equity Working Group to identify strategies to create racially integrated schools and classrooms. Together with Working Group members, it developed a narrative to appeal to school administrators on Long Island to encourage them to support education equity initiatives at the school district, local and state levels. The narrative was based on ERASE's research from the Long Island Index and input from superintendents who are members of the Working Group.

**NOTE 6 - LINE OF CREDIT**

Erase has a line of credit ("LOC") 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, 2014 and 2013. The LOC is renewed annually.

**NOTE 7 - OTHER INCOME**

In prior years, ERASE, the Fair Housing Justice Center (FHJC), a regional fair housing organization based in New York City, and three African American testers filed a lawsuit in a federal district court alleging that the owners and managers of an apartment building in the Village of Mineola discriminated against African American renters. This followed a 2012 investigation which was jointly funded and sponsored by Erase and the FHJC. The suit alleged that the defendants' conduct constituted racial discrimination in violation of the Federal Fair Housing Act. The suit also alleged racial discrimination in violation of the Nassau County Human Rights Law.

During 2014, the case was settled for \$165,000, which was divided amongst the various parties collaborating on the case. The \$40,000 settlement payment received by ERASE will be used for normal business operations.

**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013**

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**NOTE 8 - TEMPORARILY RESTRICTED NET ASSETS**

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

	<b><u>2014</u></b>	<b><u>2013</u></b>
Fair Housing Project - Long Island Utilitarian Universalist.....	\$ -	\$ 20,000
Fair Housing Project - Anti-Discrimination Center, Inc.....	-	171
Fair Housing Project - Citi Group.....	2,100	-
Various Contributions - Special Lawyer's Fund.....	13,095	12,895
Education - Long Island Community Foundation.....	-	11,942
	<b><u>\$ 15,195</u></b>	<b><u>\$ 45,008</u></b>

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

	<b><u>2014</u></b>	<b><u>2013</u></b>
Restricted at beginning of year.....	\$ 45,008	\$ 124,636
Restricted contributions (net).....	2,300	45,008
Assets released from restriction:		
Originated in 2011.....	-	(17,330)
Originated in 2012.....	-	(107,306)
Originated in 2013.....	(32,113)	-
Restricted at end of year.....	<b><u>\$ 15,195</u></b>	<b><u>\$ 45,008</u></b>

Donor-restricted contributions whose restrictions are met in the same reporting period are reported as unrestricted support. During the years ended December 31, 2014 and 2013, ERASE received \$200,000 and \$110,982, 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, 2014 and 2013, restricted net assets of \$15,195 and \$45,008 consisted entirely of restricted cash and cash equivalents, respectively.