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RACISM

*FINANCIAL STATEMENTS
AND INDEPENDENT AUDITORS' REPORT*

FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

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**FINANCIAL STATEMENTS
AND INDEPENDENT AUDITORS' REPORT
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014
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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, 2015 and 2014, 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, 2015 and 2014, 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 25, 2016
Bohemia, New York

ERASE RACISM, INC.

**STATEMENTS OF FINANCIAL POSITION
DECEMBER 31,**

2015

2014

ASSETS

Current Assets:

Cash and cash equivalents.....	\$ 176,249	\$ 185,988
Restricted cash and cash equivalents (Note 7).....	50,185	15,195
Contributions and grants receivable (Note 4).....	54,996	4,785
Prepaid expenses and other current assets.....	14,745	10,388

TOTAL CURRENT ASSETS 296,175 216,356

Property and equipment, net of accumulated depreciation	4,217	3,967
Security deposit.....	6,969	6,969

TOTAL ASSETS \$ 307,361 \$ 227,292

LIABILITIES AND NET ASSETS

Current Liabilities:

Accounts payable and accrued expenses	\$ 40,300	\$ 36,809
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TOTAL LIABILITIES 40,300 36,809

Commitments and contingencies (Notes 2, 3, 5, and 7)

Net Assets:

Unrestricted.....	216,876	175,288
Temporarily restricted (Note 7).....	50,185	15,195

TOTAL NET ASSETS 267,061 190,483

TOTAL LIABILITIES AND NET ASSETS \$ 307,361 \$ 227,292

**STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2015**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
SUPPORT AND REVENUE (Note 2) :			
Contributions and grants (Notes 4 and 7).....	\$ 433,988	\$ 37,090	\$ 471,078
Registration fees.....	325	-	325
Consulting fees.....	6,761	-	6,761
Other income.....	6,139	-	6,139
Net assets released from restrictions (Note 7).....	2,100	(2,100)	-
Gross proceeds from special events.....	255,871	-	255,871
Less: direct benefits to donors.....	(52,984)	-	(52,984)
Net proceeds from special events.....	<u>202,887</u>	<u>-</u>	<u>202,887</u>
Total Support and Revenue	652,200	34,990	687,190
EXPENSES:			
Program services:			
Housing.....	218,757	-	218,757
Education.....	80,534	-	80,534
Healthcare.....	466	-	466
Public education/seminars.....	21,555	-	21,555
Partner.....	155,273	-	155,273
Racism research.....	56,934	-	56,934
Youth.....	1,530	-	1,530
Total Program Services	535,049	-	535,049
Supporting services:			
Management and general.....	38,330	-	38,330
Development.....	37,233	-	37,233
Total Supporting Services	<u>75,563</u>	<u>-</u>	<u>75,563</u>
Total Expenses	<u>610,612</u>	<u>-</u>	<u>610,612</u>
Change in net assets.....	41,588	34,990	76,578
Net assets, beginning of year.....	<u>175,288</u>	<u>15,195</u>	<u>190,483</u>
Net assets, end of year.....	<u>\$ 216,876</u>	<u>\$ 50,185</u>	<u>\$ 267,061</u>

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

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
SUPPORT AND REVENUE (Note 2) :			
Contributions and grants (Note 7).....	\$ 363,220	\$ 2,300	\$ 365,520
Registration fees.....	10,130	-	10,130
Consulting fees.....	1,500	-	1,500
Other income (Note 6).....	41,150	-	41,150
Net assets released from restrictions (Note 7).....	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>
Total Support and Revenue	625,069	(29,813)	595,256
EXPENSES :			
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.....	2,324	-	2,324
Total Program Services	423,326	-	423,326
Supporting services:			
Management and general.....	70,597	-	70,597
Development.....	33,945	-	33,945
Total Supporting Services	<u>104,542</u>	<u>-</u>	<u>104,542</u>
Total Expenses	<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 FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2015

	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	\$ 183,549	\$ 61,368	\$ 449	\$ 12,945	\$ 128,267	\$ 40,340	\$ 1,235	\$ 428,153	\$ 11,028	\$ 27,271	\$ 466,452
Professional fees	4,641	9,108	17	3,146	5,802	1,547	49	24,310	12,110	397	36,817
Telecommunications	1,917	577	-	236	2,002	2,830	19	7,581	1,221	337	9,139
Equipment and maintenance	651	459	-	33	669	6,971	8	8,791	301	68	9,160
Supplies	445	99	-	28	263	288	-	1,123	2,065	823	4,011
Conferences	220	546	-	1,902	1,793	-	-	4,461	976	51	5,488
Travel and entertainment	3,120	2,483	-	2,042	2,249	106	35	10,035	124	506	10,665
Postage and delivery	2,711	10	-	-	939	220	-	3,880	776	2,078	6,734
Occupancy (Note 3)	5,384	2,757	-	367	4,846	1,003	92	14,449	3,902	1,466	19,817
Utilities	1,456	751	-	102	1,319	274	27	3,929	636	476	5,041
Printing and production	6,223	426	-	492	850	1,025	-	9,016	-	-	9,016
Insurance	3,198	1,301	-	195	2,425	517	48	7,684	1,229	798	9,711
Miscellaneous	4,239	139	-	-	2,948	1,626	-	8,952	3,962	2,690	15,604
Depreciation	1,003	510	-	67	901	187	17	2,685	-	272	2,957
	<u>\$ 218,757</u>	<u>\$ 80,534</u>	<u>\$ 466</u>	<u>\$ 21,555</u>	<u>\$ 155,273</u>	<u>\$ 56,934</u>	<u>\$ 1,530</u>	<u>\$ 535,049</u>	<u>\$ 38,330</u>	<u>\$ 37,233</u>	<u>\$ 610,612</u>

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2014

	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	\$ 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 3)	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	1,797	64	-	54	602	356	-	2,873	4,160	264	7,297
	<u>\$ 253,843</u>	<u>\$ 18,223</u>	<u>\$ 690</u>	<u>\$ 18,784</u>	<u>\$ 64,601</u>	<u>\$ 64,861</u>	<u>\$ 2,324</u>	<u>\$ 423,326</u>	<u>\$ 70,597</u>	<u>\$ 33,945</u>	<u>\$ 527,868</u>

ERASE RACISM, INC.

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

2015

2014

CASH FLOWS FROM OPERATING ACTIVITIES:

Change in net assets.....	\$ 76,578	\$ 67,388
<u>Adjustment to reconcile change in net assets to net cash (used in)/provided by operating activities:</u>		
Depreciation expense.....	2,957	7,297
<u>Changes in operating assets and liabilities:</u>		
Restricted cash and cash equivalents.....	(34,990)	29,813
Contributions and grants receivable.....	(50,211)	155
Prepaid expenses and other current assets.....	(4,357)	(5,319)
Accounts payable and accrued expenses.....	3,491	8,029
Deferred revenue.....	-	(2,250)
Net cash (used in)/ provided by operating activities	(6,532)	105,113

CASH FLOWS USED IN INVESTING ACTIVITIES:

Purchases of property and equipment.....	<u>(3,207)</u>	<u>(1,645)</u>
Net change in cash and cash equivalents	(9,739)	103,468
Cash and cash equivalents, beginning of year.....	<u>185,988</u>	<u>82,520</u>
Cash and cash equivalents, end of year.....	<u><u>\$ 176,249</u></u>	<u><u>\$ 185,988</u></u>

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014**

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 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 2015 and 2014.

Tax returns for the years ended December 31, 2012, 2013, 2014, and 2015 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, 2015 AND 2014**

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, 2015 and 2014.

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, 2015 AND 2014**

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, 2015 and 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 2015 or 2014. 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, 2016 and March 25, 2016, which is the date the financial statements were available to be issued, for possible disclosure and recognition in the financial statements. During 2016, ERASE is expected to receive two contributions totaling \$300,000 from two donors.

NOTE 2 - CONCENTRATIONS OF CREDIT RISK AND SUPPORT

Approximately 62% and 47% of total revenue in 2015 and 2014, respectively, was from three donors.

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014**

NOTE 3 - LEASED FACILITIES

On January 6, 2011, ERASE entered into a lease for its current facilities in Syosset, New York. On January 31, 2013, the lease expiration date, the contract was amended to extend the lease term to January 1, 2015 with a monthly rent payment of \$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, through September 2015, and a monthly payment of \$128 thereafter, through September 2018.

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>
2016.....	\$ 23,712	\$ 1,440	\$ 1,536	\$ 26,688
2017.....	1,980	120	1,536	3,636
2018.....	-	-	1,152	1,152
	<u>\$ 25,692</u>	<u>\$ 1,560</u>	<u>\$ 4,224</u>	<u>\$ 31,476</u>

NOTE 4 - OPERATIONS

The overall mission that has guided ERASE’s work from its inception continued in 2015. 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.

Accomplishments during 2015

Inclusive Housing and Community Organizing Program

ERASE continued to investigate policies and practices that result in racial inequities and took actions to address them, for example:

- On April 30, 2015, ERASE filed a federal housing discrimination lawsuit in the Southern District Court of New York against the owner, the management company, and the superintendent of an apartment complex in Commack, New York. Co-plaintiffs included the Fair Housing Justice Center. An investigation provided the basis for a lawsuit alleging that the superintendent discouraged African Americans from renting apartments by misrepresenting availability of

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014**

NOTE 4 - OPERATIONS (continued)

apartments and/or misrepresenting the dates apartments were available to rent, in violation of the federal Fair Housing Act and the Suffolk County Human Rights Law.

- ERASE continued to seek a resolution to the Administrative Complaint it filed in 2014 with the U. S. Department of Housing and Urban Development (“HUD”). The complaint alleges that Nassau County discriminates on the basis of race and color, and perpetuates racial segregation in the administration of its housing and community development programs. HUD found that the complaint had merit and opened an investigation. In 2015, Nassau County, HUD and ERASE entered into a conciliation process, which is ongoing, to determine whether a settlement agreement can be reached between the parties.
- ERASE continued to analyze and submit comments in response to New York State’s amendments to the Action Plan for Community Development Block Grant Disaster Recovery (“CDBG-DR”) program. A significant amount of CDBG-DR funds were received by the State for remediation after Superstorm Sandy damage in 2012. ERASE raised its concerns to New York State about the program components and oversight and distribution of Superstorm Sandy disaster relief funds and concluded that its concerns were not being adequately acknowledged or addressed. Subsequently, ERASE submitted a FOIL Request to the State for information which would allow it to ascertain how funds had been used and whether the State had abided by HUD mandates in its expenditure and allocation of CDBG-DR funds. In late 2015, after continued prompting from ERASE, the Governor’s Office of Storm Recovery provided records in batches.
- ERASE completed its assessment of Superstorm Sandy damage sustained in the public housing units of the Channel Park Homes, a historically African American community in the City of Long Beach, and the remediation efforts that followed. The study results were compiled from a door-to-door survey of residents. ERASE plans to release a report of the study findings in early 2016. The report will be used as an advocacy tool to raise awareness about the injustices uncovered through the study and to facilitate demands that proper remediation is completed.
- ERASE alerted and mobilized residents in the North Park community about the City of Long Beach’s effort to update its Local Waterfront Revitalization Plan and Comprehensive Plan (“the Plans”). Many residents of North Park did not know about the updates to these Plans and were not notified about the City community planning meetings to gather community input about the Plans. ERASE helped to educate and engage the North Park residents by: (1) holding meetings to discuss items that the residents wanted to be included in the Plans and (2) developing a brochure, with assistance from a professor at the Harvard University School of Design, containing elements of what the residents envisioned for their community. Over 60 North Park residents attended the City’s meetings and used the brochure as an advocacy tool to provide their input on the Plans. The City has not yet released its draft Plans.

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014**

NOTE 4 - OPERATIONS (continued)

- In April 2015, Suffolk County invited ERASE to review its draft Comprehensive Master Plan 2035, a document to guide the County’s land-use and development decisions. ERASE provided initial feedback and later, during the public comment period, submitted formal comments on the plan and the need for more affordable multi-family housing in high opportunity communities. Many of ERASE’s comments were incorporated into the final plan, which was passed by the Suffolk County Legislature and formally adopted by the County.
- ERASE completed an analysis of the nation’s largest affordable housing program—the Federal Low-Income Housing Tax Credit—as administered by New York State (“the State”). It found that on Long Island, the Tax Credits were managed in a way that actually created more racial segregation, concentrated poverty, and denied the people who needed this housing the opportunity to live in neighborhoods with good resources. In September 2015, ERASE launched an online petition requesting that residents join ERASE in asking the State to alter the way it administers the program so that it helps to integrate our communities and open up opportunities for low-income residents. In 2015, 336 people signed the petition.

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. A sampling of actions creating public school education equity included:

- In January 2015, ERASE released the report, “Heading in the Wrong Direction: Growing School Segregation on Long Island,” which found that Long Island continues to be one of the most racially segregated regions in the country. The study highlighted that the majority of the region’s Black and Latino students are relegated to low-performing and high need schools.
- In August 2015, an extensive analysis was conducted of current and potential federal, state, and local policies and laws that can either perpetuate racial segregation or contribute to racial integration in public schools. This will serve as a blueprint for the Education Equity Initiative.
- In September 2015, all program staff members and the President attended the National Coalition on School Diversity conference in Washington D.C., which focused on innovative programs addressing racial/ethnic, socioeconomic and linguistic integration in schools. Information from this conference will inform ERASE’s work.
- On January 23, 2015, ERASE hosted a forum at the Newsday Headquarters in Melville, New York on public school education equity on Long Island, where it released its study along with a companion study by the Long Island Index. The forum brought together 65 school administrators and education advocates to explore issues affecting the quality of education on Long Island, including school segregation. Many attendees joined the Education Equity Working Group.

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014**

NOTE 4 - OPERATIONS (continued)

- In June 2015, ERASE was awarded with a one-year \$100,000 grant to support its Education Equity work. Half of this payment was received during 2015. The remaining \$50,000 is included as a contribution receivable as of December 31, 2015 on the accompany statements of financial position. In September 2015, ERASE hired a full-time Education Equity Campaign Manager.
- On November 17, 2015, a meeting of the full ERASE Education Equity Working Group (“Working Group”) was held. Over 30 members participated, including school superintendents, principals, assistant principals, school board leaders, parents, academics, and representatives from nonprofit and advocacy organizations.
- Working Group subcommittees were created to advance the agenda in some key areas: (1) “Professional development and recruitment/retention of teachers of color” to address the need for teachers to be skilled in dealing with a growing diverse student population on Long Island, New York in terms of race, ethnicity, religion, and socioeconomic status, as well as the need for an increased number of teachers and administrators of color, and (2) “Campaign on the benefits of diverse educational settings” to address the need for information on the benefits of racially integrated learning environments and examples of such programs on Long Island and elsewhere and their impact on students.

Community Education and Mobilizing the Partnership for Racial Equity

ERASE utilized research, publications, and community engagement 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. A sampling of actions that educated, engaged, and organized members of the ERASE Racism Partnership for Racial Equity and the general public around issues of structural racism in 2015 include:

- The creation of a new internet crowdsourcing game, C.U.R.E.-Cards Uplifting Racial Equity (<http://playcure.org>) created by two interns from the Massachusetts Institute of Technology. Content was supplied by ERASE. The game will be used as a tool to increase awareness about racial equity in Long Island.
- ERASE and several faith-based community leaders from across Long Island organized a youth retreat at Camp DeWolfe in Wading River, New York in October 2015. The retreat helped equip young people of different faith traditions and ethical communities with skills in building a more inclusive, diverse, and equitable future for Long Island.

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014**

NOTE 4 - OPERATIONS (continued)

- ERASE's Unraveling Racism Training was held in December in Riverhead. A group of 32 participants were trained, including educators, police officers, and librarians.
- ERASE, as a member of the Long Island Progressive Network, was a leader in the planning of the inaugural conference, Progressive Vision for Long Island: Organizing for Success, held at Stony Brook University. The goal of the conference was to explore how campaigns and issues intersect and lay out a progressive vision for Long Island.
- On October, 31, 2015, ERASE's President was presented with the President's Award from the National Association of Negro Business and Professional Woman's Clubs, Inc. Central Nassau Club. On May 5, 2015, the President was a finalist for the Imagine Awards - Business Exchange Leadership Excellence Award.
- ERASE educated the public through numerous workshops, speeches, conference presentations, and media outreach. These include, but are not limited to, a round table discussion about the "Black Middle Class" in preparation for an upcoming documentary. ERASE's President was a panelist for "The Long Island Press Club" and spoke on a local television station's topic titled "Diverse Long Island." She was a presenter at the 2015 Long Island Jobs for Justice Conference and on April 18, 2015, she made a presentation on public school education for the Long Island Area Council of Unitarian Universalist. ERASE's President also made several presentations at local colleges, including Suffolk Community College, Molloy College Doctoral Program in Education and its Energeia Partnership, and Adelphi University.
- ERASE held two focus groups in 2015 with faith-based leaders to identify areas of mutual concern and points of action regarding racial equity on Long Island. The first focus group was held in Nassau County on September 3, 2015 and the second focus group was held on October 22, 2015 in Suffolk County. The results of the focus group discussions will be included in a report to be released in 2016 and will inform ERASE's work to effectively engage faith-based communities.

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, 2015 and 2014. The LOC is renewed annually.

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014**

NOTE 6 - 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 was used for normal business operations.

NOTE 7 - TEMPORARILY RESTRICTED NET ASSETS

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

	<u>2015</u>	<u>2014</u>
Fair Housing Project - Citi Group.....	\$ -	\$ 2,100
Various Contributions - Special Lawyer's Fund.....	13,095	13,095
Education - Rauch Foundation.....	37,090	-
Total temporarily restricted net assets.....	\$ 50,185	\$ 15,195

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

	<u>2015</u>	<u>2014</u>
Restricted at beginning of year.....	\$ 15,195	\$ 45,008
Restricted contributions (net).....	37,090	2,300
Assets released from restriction:		
Originated in 2013.....	-	(32,113)
Originated in 2014.....	(2,100)	-
Restricted at end of year.....	\$ 50,185	\$ 15,195

Donor-restricted contributions whose restrictions are met in the same reporting period are reported as unrestricted support. During the years ended December 31, 2015 and 2014, ERASE received \$326,610 and \$200,000, 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, 2015 and 2014, restricted net assets of \$50,185 and \$15,195 consisted entirely of restricted cash and cash equivalents, respectively.