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SUPPORT TO
ELIMINATE
RACISM

*FINANCIAL STATEMENTS
AND INDEPENDENT AUDITORS' REPORT*

FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022



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**FINANCIAL STATEMENTS
AND INDEPENDENT AUDITORS' REPORT
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
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Independent Auditors' Report

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

Opinion

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, 2023 and 2022, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of ERASE as of December 31, 2023 and 2022, and the changes in its net assets and its cash flows for the years then ended in accordance with principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audits of the Financial Statements section of our report. We are required to be independent of ERASE and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about ERASE's ability to continue as a going concern for one year after the date that the financial statements are issued.

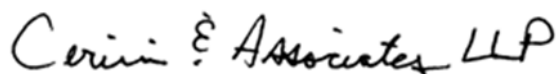
Auditors' Responsibilities for the Audits of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about ERASE's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audits, significant audit findings, and certain internal control-related matters that we identified during the audits.



July 23, 2024
Bohemia, New York

ERASE RACISM, INC.

STATEMENTS OF FINANCIAL POSITION
DECEMBER 31,

2023 2022

ASSETS		
Current Assets:		
Cash and cash equivalents.....	\$ 282,310	\$ 414,985
Contributions and grants receivable.....	101,400	76,010
Prepaid expenses and other current assets.....	4,912	10,916
TOTAL CURRENT ASSETS		388,622 501,911
Property and equipment, net of accumulated depreciation	3,092	7,445
Right-of-use asset.....	26,939	51,726
Security deposit.....	6,969	6,969
TOTAL ASSETS		\$ 425,622 \$ 568,051
LIABILITIES AND NET ASSETS		
Current Liabilities:		
Accounts payable and accrued expenses	\$ 58,361	\$ 39,406
Deferred revenue.....	40,000	-
Current portion of lease liability.....	26,147	25,308
TOTAL CURRENT LIABILITIES		124,508 64,714
Note payable.....	149,359	149,359
Lease liability, net of current portion.....	2,188	28,335
TOTAL LIABILITIES		276,055 242,408
Net Assets:		
Without donor restrictions.....	134,567	325,643
With donor restrictions.....	15,000	-
TOTAL NET ASSETS		149,567 325,643
TOTAL LIABILITIES AND NET ASSETS		\$ 425,622 \$ 568,051

ERASE RACISM, INC.

**STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2023**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
SUPPORT AND REVENUE:			
Contributions and grants.....	\$ 433,356	\$ 15,000	\$ 448,356
Consulting fees.....	6,750	-	6,750
Other income.....	1,857	-	1,857
Net assets released from restrictions.....	-	-	-
Gross proceeds from special events.....	272,005	-	272,005
Less: direct benefits to donors.....	(71,580)	-	(71,580)
Net proceeds from special events.....	200,425	-	200,425
TOTAL SUPPORT AND REVENUE	642,388	15,000	657,388
EXPENSES:			
Program services:			
Housing.....	143,331	-	143,331
Education.....	103,413	-	103,413
Public education/seminars.....	47,928	-	47,928
Partner.....	179,213	-	179,213
Racism research.....	112,649	-	112,649
Youth.....	17,128	-	17,128
TOTAL PROGRAM SERVICES	603,662	-	603,662
Supporting services:			
Management and general.....	101,426	-	101,426
Development.....	128,376	-	128,376
TOTAL SUPPORTING SERVICES	229,802	-	229,802
TOTAL EXPENSES	833,464	-	833,464
CHANGE IN NET ASSETS	(191,076)	15,000	(176,076)
Net assets, beginning of year.....	325,643	-	325,643
Net assets, end of year.....	\$ 134,567	\$ 15,000	\$ 149,567

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

ERASE RACISM, INC.

**STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2022**

	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE:			
Contributions and grants.....	\$ 244,799	\$ -	\$ 244,799
Consulting fees.....	38,882	-	38,882
Other income.....	2,714	-	2,714
Net assets released from restrictions.....	15,000	(15,000)	-
Gross proceeds from special events.....	202,220	-	202,220
Less: direct benefits to donors.....	(40,246)	-	(40,246)
Net proceeds from special events.....	161,974	-	161,974
TOTAL SUPPORT AND REVENUE	463,369	(15,000)	448,369
 EXPENSES:			
Program services:			
Housing.....	62,222	-	62,222
Education.....	67,458	-	67,458
Public education/seminars.....	12,537	-	12,537
Partner.....	159,070	-	159,070
Racism research.....	172,157	-	172,157
Youth.....	28,061	-	28,061
TOTAL PROGRAM SERVICES	501,505	-	501,505
 Supporting services:			
Management and general.....	115,796	-	115,796
Development.....	56,215	-	56,215
TOTAL SUPPORTING SERVICES	172,011	-	172,011
TOTAL EXPENSES	673,516	-	673,516
CHANGE IN NET ASSETS	(210,147)	(15,000)	(225,147)
Net assets, beginning of year.....	535,790	15,000	550,790
Net assets, end of year.....	\$ 325,643	\$ -	\$ 325,643

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

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2023

	Program Services						Supporting Services			Total Expenses	
	Housing	Education	Public Education/ Seminars	Partner	Racism Research	Youth	Total Program Services	Management and General	Development		Total Supporting Services
Staff leasing expense.....	\$ 61,184	\$ 63,463	\$ -	\$ 95,726	\$ 56,873	\$ 6,124	\$ 283,370	\$ 54,475	\$ 53,634	\$ 108,109	\$ 391,479
Professional fees.....	69,524	32,715	46,350	49,907	27,560	7,198	233,254	22,607	45,992	68,599	301,853
Telecommunications.....	831	888	-	4,224	1,258	42	7,243	2,989	836	3,825	11,068
Equipment and maintenance....	354	354	6	702	8,980	7	10,403	959	298	1,257	11,660
Supplies.....	-	-	845	226	507	85	1,663	3,252	540	3,792	5,455
Conferences.....	544	-	-	811	136	-	1,491	354	8,200	8,554	10,045
Travel and entertainment.....	1,763	195	128	1,431	2,438	430	6,385	961	866	1,827	8,212
Postage and delivery.....	69	-	-	2,078	290	14	2,451	82	3,662	3,744	6,195
Staff development.....	-	-	-	-	-	-	-	-	-	-	-
Occupancy.....	3,436	3,576	-	6,736	5,433	138	19,319	6,094	3,374	9,468	28,787
Utilities	698	726	-	1,369	1,103	28	3,924	977	684	1,661	5,585
Printing and production.....	529	-	-	1,734	136	-	2,399	27	-	27	2,426
Insurance.....	913	930	-	1,799	1,440	40	5,122	1,292	799	2,091	7,213
Advertising.....	180	-	599	5,740	-	-	6,519	15	2,240	2,255	8,774
Miscellaneous.....	2,762	-	-	5,664	5,635	3,000	17,061	6,580	6,718	13,298	30,359
Depreciation.....	544	566	-	1,066	860	22	3,058	762	533	1,295	4,353
TOTAL EXPENSES	\$ 143,331	\$ 103,413	\$ 47,928	\$ 179,213	\$ 112,649	\$ 17,128	\$ 603,662	\$ 101,426	\$ 128,376	\$ 229,802	\$ 833,464

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2022

	Program Services						Supporting Services					Total Expenses
	Housing	Education	Public Education / Seminars	Partner	Racism Research	Youth	Total Program Services	Management and General	Development	Total Supporting Services		
Staff leasing expense.....	\$ 53,032	\$ 53,442	7,417	\$ 103,277	\$ 119,431	\$ 20,694	\$ 357,293	\$ 37,214	\$ 40,450	\$ 77,664	\$ 434,957	
Professional fees.....	1,858	9,215	727	32,879	25,349	6,174	76,202	46,335	1,067	47,402	123,604	
Telecommunications.....	507	582	248	4,539	1,538	132	7,546	3,642	587	4,229	11,775	
Equipment and maintenance....	172	229	110	502	7,167	32	8,212	614	239	853	9,065	
Supplies.....	-	-	-	-	430	-	430	2,486	701	3,187	3,617	
Conferences.....	-	-	-	-	130	-	130	1,311	41	1,352	1,482	
Travel and entertainment.....	479	34	843	591	276	74	2,297	2,345	677	3,022	5,319	
Postage and delivery.....	26	-	-	2,834	-	-	2,860	481	3,228	3,709	6,569	
Staff development.....	-	-	1,495	-	-	-	1,495	-	-	-	1,495	
Occupancy.....	2,022	2,337	988	5,620	6,155	540	17,662	8,381	2,338	10,719	28,381	
Utilities	502	593	245	1,830	1,629	112	4,911	82	593	675	5,586	
Printing and production.....	-	-	-	1,976	-	40	2,016	11	-	11	2,027	
Insurance.....	644	695	322	1,052	1,762	176	4,651	3,295	734	4,029	8,680	
Advertising.....	-	-	-	275	175	-	450	-	500	500	950	
Miscellaneous.....	2,687	-	-	2,892	7,236	11	12,826	8,673	4,729	13,402	26,228	
Depreciation	293	331	142	803	879	76	2,524	926	331	1,257	3,781	
TOTAL EXPENSES	\$ 62,222	\$ 67,458	\$ 12,537	\$ 159,070	\$ 172,157	\$ 28,061	\$ 501,505	\$ 115,796	\$ 56,215	\$ 172,011	\$ 673,516	

ERASE RACISM, INC.

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

2023 2022

CASH FLOWS FROM OPERATING ACTIVITIES:

Change in net assets..... \$ (176,076) \$ (225,147)

Adjustment to reconcile change in net assets
to net cash used in operating activities:

 Depreciation..... 4,353 3,781
 Amortization of right-of-use asset..... 24,787 24,714

Changes in operating assets and liabilities:

 Contributions and grants receivable..... (25,390) 27,167
 Prepaid expenses and other current assets..... 6,004 11,242
 Accounts payable and accrued expenses..... 18,955 (9,396)
 Deferred revenue..... 40,000 -
 Lease liability..... (25,308) (24,413)

NET CASH USED IN OPERATING ACTIVITIES (132,675) (192,052)

CASH FLOWS USED IN INVESTING ACTIVITIES:

Purchases of property and equipment..... - (2,061)

CASH FLOWS USED IN FINANCING ACTIVITIES:

Payment of note payable..... - (641)

NET CHANGE IN CASH AND CASH EQUIVALENTS (132,675) (194,754)

Cash and cash equivalents, beginning of year..... 414,985 609,739

Cash and cash equivalents, end of year..... \$ 282,310 \$ 414,985

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022**

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.

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 has processes in place to ensure the maintenance of its tax-exempt status, to identify and report unrelated income, to determine its filing and tax obligations in jurisdictions for which it has nexus, and to identify and evaluate other matters that may be considered tax positions. ERASE has determined that there are no material uncertain tax positions that require recognition or disclosure in the financial statements for 2023 and 2022.

ERASE files an IRS Form 990 and respective state and local tax returns. These tax returns are subject to review and examination by federal, state, and local taxing 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, 2023 AND 2022**

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 ("U.S. GAAP"). Revenue is recorded when earned and expenses are recorded when incurred.

Recent Accounting Pronouncement: During the year ended December 31, 2022, ERASE adopted Accounting Standards Codification ("ASC") 842, *Leases*, for all material, long-term operating leases. Under this accounting pronouncement, ERASE recognizes a right-of-use asset and a lease liability calculated based on the present value of the lease payments not yet paid, discounted using an appropriate discount rate at the lease commencement date. The right-of-use asset will initially be equal to the lease liability plus any initial direct costs and prepaid lease payments, less any lease incentives received. Under this approach, the amortization of the right-of-use asset is charged to occupancy expense, which is recorded on the straight-line basis over the term of the lease.

Financial Statement Presentation: ERASE is required to report information regarding its financial position and activities according to two classes of net assets as follows:

Net Assets Without Donor Restrictions: Net assets that are not subject to donor-imposed stipulations and may be expended for any purpose in performing the primary objectives of ERASE. These net assets may be used at the discretion of ERASE's management and the Board of Directors.

Net Assets With Donor Restrictions: Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of ERASE or by the passage of time. Other donor restrictions may be perpetual in nature, whereby donors may stipulate that the funds be maintained in perpetuity. ERASE did not have any funds that were stipulated by donors to be maintained in perpetuity as of December 31, 2023 and 2022.

Use of Estimates: The preparation of financial statements in conformity with U.S. GAAP 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.

Cash and Cash Equivalents: ERASE considers all highly liquid financial instruments with original maturities of three months or less from the date of purchase to be cash equivalents.

Contributions and Grants Receivable: ERASE considers contributions and grants receivable past due or delinquent when payment has not been received in a timely manner. Receivables are written off when management deems the possibility of collecting amounts due as unlikely. Management deems all contributions and grants receivable at December 31, 2023 and 2022 fully collectible. As such, no reserve for doubtful accounts has been established.

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Property and Equipment: Property and equipment are stated at original cost or estimated fair market value if donated. 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

Contributions and Grants: Contributions and grants are recognized when donors make promises to give that are, in substance, unconditional. Contributions and grants that are restricted by donors are reported as increases in net assets without donor restrictions if the restrictions expire in the year in which the contributions and grants are recognized. All other donor-restricted contributions and grants are reported as increases in net assets with donor restrictions. When restrictions expire, net assets with donor restrictions are reclassified to net assets without donor restrictions. Conditional contributions are accounted for as liabilities or are not recognized as revenue initially, until the barriers to entitlement are overcome, at which point contributions and grants are recognized as unconditional and classified as either net assets with donor restrictions or net assets without donor restrictions.

Consulting Fees: ERASE recognizes consulting fees revenue when performance obligations to consumers are satisfied, principally at points in time, when underlying services are performed. Fees received in advance of services are reported as deferred revenue in the accompanying statements of financial position.

Proceeds from Special Events: ERASE recognizes gross proceeds from special events when performance obligations to attendees are satisfied, at points in time when the events take place. Costs incurred for which donors receive direct benefits, exchange transactions, have been offset against gross proceeds from special events in the statements of activities. Other costs related to the events for which the donors do not receive direct benefits are included within development costs in the statements of functional expenses.

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. Accordingly, the direct costs of providing programs have all been allocated to program services. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support of ERASE. Expenses that are allocated amongst the functional categories are allocated based on an analysis of personnel time spent on various program, management and general, and development activities.

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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: From time to time, certain individuals with specific expertise have provided services to ERASE on a pro-bono basis, which would have been paid for had they not been donated. ERASE did not receive any donated services during 2023 or 2022. ERASE receives donated services from volunteers that do not meet the criteria for recognition. Accordingly, the value of these donated services has not been reflected in the accompanying financial statements.

Events Occurring After Report Date: ERASE has evaluated events and transactions that occurred between January 1, 2024 and July 23, 2024, which is the date the financial statements were available to be issued, for possible disclosure and recognition in the financial statements.

NOTE 2 - CONCENTRATIONS OF CREDIT RISK AND SUPPORT

ERASE maintains cash and cash equivalents in what it believes to be quality financial institutions which are insured by the Federal Deposit Insurance Corporation (“FDIC”). From time to time, ERASE may have cash and cash equivalents held at financial institutions that are in excess of FDIC limits. ERASE has not incurred any losses in such accounts to date.

During the year ended December 31, 2023, approximately 40% of total support and revenue was attributed to two donors. During the year ended December 31, 2022, approximately 23% of total support and revenue was attributed to one donor.

As of December 31, 2023, approximately 99% of contributions and grants receivable was attributed to one donor. As of December 31, 2022, approximately 33% of contributions and grants receivable was attributed to one donor.

NOTE 3 - LEASED FACILITIES

ERASE leases its current facilities in Syosset, New York. The lease agreement was originally entered into in 2004 and has been amended several times since.

The amended lease term from February 1, 2019 through January 31, 2021 called for initial monthly payments of \$1,663 for rent and \$466 for electricity, with minor increases through the end of the lease term.

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022**

NOTE 3 - LEASED FACILITIES (continued)

Effective February 1, 2022, the lease was extended through January 31, 2023. The amended lease agreement called for monthly payments of \$1,928 through January 31, 2022 and \$2,062 through January 31, 2023.

Effective February 1, 2023, the lease was extended through January 31, 2025. The amended lease agreement calls for monthly payments of \$2,124 through January 31, 2024 and \$2,188 through January 31, 2025.

Operating lease costs incurred during the years ended December 31, 2023 and 2022, inclusive of right-of-use asset amortization, totaled \$28,787 and \$28,381, respectively, and are included as part of occupancy expense in the statements of functional expenses.

The following is a maturity analysis of the annual undiscounted cash flows of the operating lease liability for the years ending December 31,:

2024	\$	26,189
2025		<u>2,188</u>
Total lease payments		28,377
Less present value discount		<u>(42)</u>
Total	\$	<u>28,335</u>

The weighted average remaining lease term (in months) and discount rates for the above mentioned leases were as follows for the years ended December 31,:

	<u>2023</u>	<u>2022</u>
Weighted average remaining lease term (in months)	13.00	25.00
Weighted average discount rate	0.11%	0.11%

Operating cash flows from operating leases totaled \$25,426 and \$24,605 for the years ended December 31, 2023 and 2022, respectively.

NOTE 4 - OPERATIONS

ERASE was founded in 2001 as an initiative of The Long Island Community Foundation, a division of The New York Community Trust. ERASE brings together nonprofit leaders, local government, businesses, and community groups, all with a shared motivation to rid the region of structural racism.

The overall mission that has guided ERASE’s work from its inception has continued through 2023: 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.

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022**

NOTE 4 - OPERATIONS (continued)

Our vision is to seek transformed, integrated communities in which no person's access to opportunity is limited by race or ethnicity. Civil rights laws have attempted to curb rampant and violent acts of racial discrimination in the United States and on Long Island. However, they have not gone far enough in addressing the ongoing violence faced by communities of color – not merely interpersonally, but structurally and ideologically. Long Island today offers an unfortunate picture of what happens when structural racism remains unaddressed: segregation on Long Island continues to worsen, in schools and in communities, resulting in inequitable treatment and outcomes due to race.

We continue to see how “race neutral” decisions and policies, such as the protection of “local control” here on Long Island and opposition to additional dwelling units, 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, that discriminatory policies must end, and that 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.

EDUCATION EQUITY INITIATIVE

Although Long Island has become more diverse in recent decades, its public schools have become more segregated and unequal. In addition to documenting this trend and its consequences – especially for Black and Latino students – ERASE's Education Equity Initiative promotes priorities, strategies, and measures that are achievable in a region with 125 separate, self-taxing school districts. The Education Equity Initiative consists of the following interrelated elements:

- A High School Student Leaders Internship (SLI) that provided selected students with the opportunity to learn about systemic racism and collaboratively strategize community-based solutions.
- A Professional Development Program for Teachers lauded for its workshops on culturally responsive pedagogy, understanding and eliminating bias, and serving diverse classrooms.
- Advocacy aimed at state, local, and district policies and practices, so that they encourage rather than inhibit integration and equity.
- Mobilization of partners and the public to challenge segregation and inequity at relevant hearings.
- An Education Equity Working Group consisting of 360 area educators, parents, academics, and advocates.
- A Student Voices Campaign that equips students with knowledge and leadership skills to stand for inclusion and equity in their schools and districts, primarily through our Long Island Leaders of Tomorrow Conference.

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022**

NOTE 4 - OPERATIONS (continued)

In order to further our work across school districts, we conducted workshops about structural racism on Long Island to three different districts.

ERASE released an interactive research report about Long Island schools in April 2023, revealing how racial segregation and disproportionate tax burdens complicate school funding and, consequently, student performance. The report, "Empire State Inequities: A Decade of School Funding Disparity and Its Effects," and its findings dispel myths about the performance of students of color, and concludes with proposed actions school districts and states can take to begin meaningfully addressing institutional, systemic, and structural racism. ERASE then released a significant report in fall of 2023, "Enough is Enough! 15 years of growing educational inequities on Long Island," that explored enrollment trends across public school districts on Long Island, funding inequities, and the resulting and increasing opportunity gap.

ERASE's Student Voices Campaign equipped students across Long Island with leadership skills, facilitated meaningful interactions with students of different backgrounds and districts, and educated students about the history underpinning Long Island's segregated towns and school districts and how they can advance equity and inclusion in their schools and communities. It did this via the following program:

- Our Student Leader Internship Program provided two high school students from two different Long Island school districts an opportunity to learn about the historical and ongoing systemic racism across Long Island, the local history of their towns, and how to advocate for racial equity and justice in their own schools and communities. By conducting research, collaborating with one another and local community leaders, and strategic planning of initiatives, these two students were able to develop an understanding of their local context and make a plan for tangible change in their communities. This was the second year of the internship.

In addition to the Long Island Leaders of Tomorrow Conferences, the Student Voices Campaign engaged students and educators in the following work this year:

- Student Task Force members presented to educators from across the United States at the four-day Reimagining Education Summer Institute ("RESI") at Columbia University Teachers College. The students participated in a plenary session and then led a workshop called, "Lift Every Voice: Including Student Voice in the Development of Culturally Responsive and Sustaining Curricula," where students conversed with Dr. Bettina L. Love about her book, Punished for Dreaming. Their workshop then used Abolitionist Teaching ideas to help educators "freedom dream" about how their classroom can function as a space for student solidarity, imagination, and collective resistance.

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022**

NOTE 4 - OPERATIONS (continued)

We recruited 30 educators from nine school districts in Nassau County and Suffolk County to attend RESI and the Rauch Foundation generously paid the registration fees for the participants, as they have done in the past.

In April 2023, ERASE announced its fifth annual “Raise Your Voice Essay Contest.” Four winners received \$500 scholarships underwritten by our partner, SCOPE Educational Services.

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 settle federal housing discrimination lawsuits, and elevate the voices of people in low-income housing. Frequent speaking engagements and meetings educate the public and decision-makers about local, New York State, and national issues impacting fair housing.

A sampling of activities and accomplishments in 2023 include:

- ERASE launched a new data tool to advance affordable and inclusive housing in New York State (AIHT). The interactive tool uses over 30 fair housing variables to identify prime locations for affordable housing, identify areas that require more state funding and investment, measure racial segregation, and retrieve information on existing affordable and subsidized housing.
- Governor Kathy Hochul proposed the New York Housing Compact, a plan to address New York’s housing crisis endorsed by over 100 organizations, including ERASE.
- Laura Harding coordinated a Long Island Housing coalition with a generous grant from Long Island Community Foundation.

PARTNERSHIP FOR RACIAL EQUITY

Engaging, educating, and mobilizing the public is a crucial portion of our work.

ERASE’s President, Laura Harding, participated in speaking engagements and activities with the following groups and organizations:

- NYU Furman Center
- Adelphi School of Social Work
- Adelphi University
- Long Island Advocates
- Regional Plan Association
- Women’s Diversity Network

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022**

NOTE 4 - OPERATIONS (continued)

ERASE continued to send e-newsletters and e-alerts to over 5,000 subscribers. The newsletters informed subscribers about the leadership exhibited by our Student Task Force, program offerings by ERASE, and important news related to fair housing legislation and education justice.

Media coverage of ERASE in 2023 included 279 stories in total in outlets spanning from local to national to international, including CBS, The Hill, and The New York Times. Two of the stories were bylined articles by ERASE's President, Laura Harding.

The media coverage continues to elevate ERASE's visibility, underscore its important presence in the social fabric of Long Island, and present its perspectives locally, regionally, and nationally on structural racism and its implications, especially in housing and public-school education.

The media coverage highlighted, among other topics, the following:

- ERASE's innovative research demonstrating the ongoing impacts of racial discrimination in Long Island's public schools.
- ERASE's leadership in addressing and ending housing discrimination on Long Island and in the region.
- ERASE's efforts to raise awareness of structural racism's implications for housing and public school education.

Included in the coverage in 2023 are the following 2 op-ed articles by Laura Harding:

- The Hill - July 18, 2023 - "3 myths about school segregation we're still living with today" - A commentary by Laura Harding
- Innovate Long Island - March 14, 2023 - "Housing Compact: Brave, Overdue And A Good Start" - A commentary by Laura Harding on Governor Hochul's proposed New York Housing Compact.

NOTE 5 - LINE OF CREDIT

ERASE has a line of credit with Bethpage Federal Credit Union which allows borrowings of up to \$45,000 and charges an interest rate of 4.75%. ERASE did not draw on the line of credit during the years ended December 31, 2023 and 2022. The line of credit is renewed annually.

NOTE 6 - NET ASSETS WITH DONOR RESTRICTIONS

\$15,000 of net assets were restricted for use in the youth program as of December 31, 2023. There were no net assets with donor restrictions as of December 31, 2022.

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022**

NOTE 7 - AVAILABILITY AND LIQUIDITY

The following represents ERASE’s financial assets at December 31,:

	2023	2022
Cash and cash equivalents.....	\$ 282,310	\$ 414,985
Contributions and grants receivable	101,400	76,010
Total financial assets.....	383,710	490,995
Less amounts not available to be used for general operations or within one year:		
Net assets with donor restrictions	(15,000)	-
Financial assets available to meet general expenditures over the next twelve months.....	\$ 368,710	\$ 490,995

ERASE’s goal is generally to maintain financial assets to meet ninety days of operating expenses (approximately \$204,000). ERASE has a \$45,000 line of credit available to meet cash flow needs (refer to Note 5).

NOTE 8 - FINANCIAL IMPACTS RELATED TO THE COVID-19 PANDEMIC

ERASE received an Economic Injury Disaster Loan (“EIDL”) advance from the SBA for \$150,000 on June 20, 2020. This loan advance was intended to provide economic relief to businesses experiencing a temporary loss of revenue due to the COVID-19 pandemic. The loan bears interest at a rate of 2.75% per annum and matures on June 20, 2050. The note was originally issued with a twelve-month deferral period that did not require payments to be made until June 2021. During March 2021, the deferral period was extended to thirty months. Subsequent to the deferral period, monthly payments of \$641 will be made by ERASE. All remaining principal and accrued interest will be due at maturity. The loan is secured by substantially all assets of ERASE.

Future minimum payments are as follows for the years ending December 31;

2024	\$	-
2025		425
2026		3,642
2027		3,744
Thereafter.....		141,548
Total.....	\$	149,359