

E·R·A·S·E



EDUCATION  
RESEARCH  
ADVOCACY &  
SUPPORT TO  
ELIMINATE  
RACISM

*FINANCIAL STATEMENTS  
AND INDEPENDENT AUDITORS' REPORT*

*FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020*

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**FINANCIAL STATEMENTS  
AND INDEPENDENT AUDITORS' REPORT  
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020  
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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, 2021 and 2020, 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, 2021 and 2020, 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 Audit 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 Audit 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 auditor's 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 audits 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.

*Cerini & Associates LLP*

May 5, 2022  
Bohemia, New York

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

**2021                      2020**

ASSETS		
<b>Current Assets:</b>		
Cash and cash equivalents.....	\$ 594,739	\$ 516,400
Restricted cash and cash equivalents.....	15,000	4,487
Contributions and grants receivable.....	103,177	143,345
Prepaid expenses and other current assets.....	22,158	9,940
<b>TOTAL CURRENT ASSETS</b>	735,074	674,172
Property and equipment, net of accumulated depreciation .....	9,165	1,428
Security deposit.....	6,969	6,969
<b>TOTAL ASSETS</b>	<b>\$ 751,208</b>	<b>\$ 682,569</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>Current Liabilities:</b>		
Accounts payable and accrued expenses .....	\$ 48,802	\$ 36,533
<b>TOTAL CURRENT LIABILITIES</b>	48,802	36,533
Notes payable.....	150,000	200,000
<b>TOTAL LIABILITIES</b>	198,802	236,533
<b>Net Assets:</b>		
Without donor restrictions.....	537,406	369,933
With donor restrictions.....	15,000	76,103
<b>TOTAL NET ASSETS</b>	552,406	446,036
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 751,208</b>	<b>\$ 682,569</b>

**STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2021**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>SUPPORT AND REVENUE:</b>			
Contributions and grants.....	\$ 395,257	\$ 15,000	\$ 410,257
Consulting fees.....	83,100	-	83,100
Paycheck Protection Program loan forgiveness .....	69,695	-	69,695
Other income.....	3,385	-	3,385
Net assets released from restrictions.....	76,103	(76,103)	-
Gross proceeds from special events.....	238,586	-	238,586
Less: direct benefits to donors.....	(41,320)	-	(41,320)
Net proceeds from special events.....	<u>197,266</u>	<u>-</u>	<u>197,266</u>
<b>Total Support and Revenue</b>	824,806	(61,103)	763,703
 <b>EXPENSES:</b>			
Program services:			
Housing.....	84,712	-	84,712
Education.....	106,618	-	106,618
Public education/seminars.....	35,000	-	35,000
Partner.....	156,690	-	156,690
Racism research.....	135,631	-	135,631
Youth.....	<u>16,773</u>	<u>-</u>	<u>16,773</u>
<b>Total Program Services</b>	535,424	-	535,424
 Supporting services:			
Management and general.....	60,450	-	60,450
Development.....	<u>61,459</u>	<u>-</u>	<u>61,459</u>
<b>Total Supporting Services</b>	<u>121,909</u>	<u>-</u>	<u>121,909</u>
<b>Total Expenses</b>	<u>657,333</u>	<u>-</u>	<u>657,333</u>
Change in net assets.....	167,473	(61,103)	106,370
Net assets, beginning of year.....	<u>369,933</u>	<u>76,103</u>	<u>446,036</u>
Net assets, end of year.....	<u>\$ 537,406</u>	<u>\$ 15,000</u>	<u>\$ 552,406</u>

**STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2020**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>SUPPORT AND REVENUE:</b>			
Contributions and grants.....	\$ 492,357	\$ 10,617	\$ 502,974
Consulting fees.....	62,767	-	62,767
Paycheck Protection Program loan forgiveness .....	68,144	-	68,144
Other income.....	909	-	909
Net assets released from restrictions.....	130,789	(130,789)	-
Gross proceeds from special events.....	220,331	-	220,331
Less: direct benefits to donors.....	(16,450)	-	(16,450)
Net proceeds from special events.....	<u>203,881</u>	<u>-</u>	<u>203,881</u>
<b>Total Support and Revenue</b>	958,847	(120,172)	838,675
<b>EXPENSES :</b>			
Program services:			
Housing.....	102,329	-	102,329
Education.....	130,847	-	130,847
Public education/seminars.....	45,584	-	45,584
Partner.....	126,690	-	126,690
Racism research.....	77,257	-	77,257
Youth.....	<u>32,999</u>	<u>-</u>	<u>32,999</u>
<b>Total Program Services</b>	515,706	-	515,706
Supporting services:			
Management and general.....	51,543	-	51,543
Development.....	<u>59,303</u>	<u>-</u>	<u>59,303</u>
<b>Total Supporting Services</b>	<u>110,846</u>	<u>-</u>	<u>110,846</u>
<b>Total Expenses</b>	<u>626,552</u>	<u>-</u>	<u>626,552</u>
Change in net assets.....	332,295	(120,172)	212,123
Net assets, beginning of year.....	<u>37,638</u>	<u>196,275</u>	<u>233,913</u>
Net assets, end of year.....	<u>\$ 369,933</u>	<u>\$ 76,103</u>	<u>\$ 446,036</u>

**STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2021**

	Program Services						Supporting Services		Total Expenses	
	Housing	Education	Public Education/ Seminars	Partner	Racism Research	Youth	Total Program	Management and General		Development
Staff leasing expense.....	\$ 71,951	\$ 85,437	\$ 28,688	\$ 106,306	\$ 112,119	\$ 13,822	\$ 418,323	\$ 18,627	\$ 46,309	\$ 483,259
Professional fees.....	1,831	2,032	1,523	31,563	1,833	637	39,419	19,636	1,350	60,405
Telecommunications.....	652	821	536	3,789	992	172	6,962	2,433	685	10,080
Equipment and maintenance.....	377	10,481	361	360	7,007	61	18,647	941	224	19,812
Supplies.....	416	10	-	945	31	364	1,766	1,318	612	3,696
Conferences.....	100	-	-	-	-	-	100	82	-	182
Travel and entertainment.....	24	17	-	4	-	7	52	82	517	651
Postage and delivery.....	18	2	1	1,484	-	51	1,556	32	3,323	4,911
Occupancy.....	3,441	4,020	2,175	3,154	3,543	906	17,239	5,487	1,844	24,570
Utilities .....	852	992	531	768	866	223	4,232	908	447	5,587
Printing and production.....	-	-	-	2,565	38	8	2,611	-	-	2,611
Insurance.....	1,388	1,642	825	1,304	1,406	371	6,936	1,480	675	9,091
Advertising.....	-	-	-	0	530	-	530	-	-	530
Miscellaneous.....	3,164	585	50	3,999	6,760	20	14,578	8,894	5,212	28,684
Depreciation.....	498	579	310	449	506	131	2,473	530	261	3,264
<b>Total Expenses</b>	<b>\$ 84,712</b>	<b>\$ 106,618</b>	<b>\$ 35,000</b>	<b>\$ 156,690</b>	<b>\$ 135,631</b>	<b>\$ 16,773</b>	<b>\$ 535,424</b>	<b>\$ 60,450</b>	<b>\$ 61,459</b>	<b>\$ 657,333</b>



**STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2020**

	Program Services						Supporting Services		Total Expenses	
	Housing	Education	Public Education/ Seminars	Partner	Racism Research	Youth	Total Program	Management and General		Development
Staff leasing expense.....	\$ 89,445	\$ 112,969	\$ 40,750	\$ 84,168	\$ 61,604	\$ 23,605	\$ 412,541	\$ 14,048	\$ 42,374	\$ 468,963
Professional fees.....	1,396	1,909	869	23,855	627	711	29,367	15,481	969	45,817
Telecommunications.....	733	1,875	161	2,645	368	322	6,104	1,939	553	8,596
Equipment and maintenance....	524	738	181	458	6,821	117	8,839	1,194	344	10,377
Supplies.....	218	273	-	520	11	-	1,022	2,833	-	3,855
Conferences.....	-	391	864	-	-	2,404	3,659	83	-	3,742
Travel and entertainment.....	576	569	1,354	-	21	2,292	4,812	126	46	4,984
Postage and delivery.....	29	105	-	1,679	124	114	2,051	431	4,751	7,233
Occupancy.....	3,955	6,004	804	3,433	1,663	1,603	17,462	2,896	2,615	22,973
Utilities .....	1,033	1,564	210	894	433	593	4,727	349	684	5,760
Printing and production.....	-	115	-	2,564	-	-	2,679	2,171	41	4,891
Insurance.....	1,407	2,281	295	1,306	646	992	6,927	1,217	1,021	9,165
Advertising.....	95	1,000	-	25	295	-	1,415	-	-	1,415
Miscellaneous.....	2,594	287	-	4,795	4,470	-	12,146	8,661	5,575	26,382
Depreciation .....	324	767	96	348	174	246	1,955	114	330	2,399
<b>Total Expenses</b>	<b>\$ 102,329</b>	<b>\$ 130,847</b>	<b>\$ 45,584</b>	<b>\$ 126,690</b>	<b>\$ 77,257</b>	<b>\$ 32,999</b>	<b>\$ 515,706</b>	<b>\$ 51,543</b>	<b>\$ 59,303</b>	<b>\$ 626,552</b>

**ERASE RACISM, INC.****STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED DECEMBER 31,****2021**                      **2020****CASH FLOWS FROM OPERATING ACTIVITIES:**

Change in net assets..... \$ 106,370                      \$ 212,123

Adjustment to reconcile change in net assets  
to net cash provided by operating activities:Depreciation..... 3,264                      2,399  
Paycheck Protection Program loan forgiveness..... (69,695)                      (68,144)  
Note payable forgiveness..... (50,000)                      -Changes in operating assets and liabilities:Contributions and grants receivable..... 40,168                      34,713  
Prepaid expenses and other current assets..... (12,218)                      (1,367)  
Accounts payable and accrued expenses..... 12,269                      (18,968)  
Deferred revenue..... -                      (500)**NET CASH PROVIDED BY OPERATING ACTIVITIES**                      30,158                      160,256**CASH FLOWS USED IN INVESTING ACTIVITIES:**

Purchases of property and equipment..... (11,001)                      -

**CASH FLOWS FROM FINANCING ACTIVITIES:**Draws on line of credit..... 656                      43,100  
Payments of line of credit..... (656)                      (43,100)  
Proceeds from notes payable..... 69,695                      268,144**NET CASH PROVIDED BY FINANCING ACTIVITIES**                      69,695                      268,144**NET CHANGE IN CASH AND CASH EQUIVALENTS**                      88,852                      428,400

Cash and cash equivalents, beginning of year..... 520,887                      92,487

Cash and cash equivalents, end of year..... \$ 609,739                      \$ 520,887

**COMPONENTS OF CASH AND CASH EQUIVALENTS:**Cash and cash equivalents..... \$ 594,739                      \$ 516,400  
Restricted cash and cash equivalents..... 15,000                      4,487**TOTAL CASH AND CASH EQUIVALENTS**                      \$ 609,739                      \$ 520,887

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020**

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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 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 has processes presently 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 2021 and 2020.

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020**

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

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.

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 and contributions 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. ERASE recognizes consulting fees and registration fees at the time services are performed. Fees received in advance of services are reported as deferred revenue in the accompanying statements of financial position.

Financial Statement Presentation: ERASE is required to report information regarding its financial position and activities according to two classes of net assets; net assets without donor restrictions and net assets with donor restrictions.

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions 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 are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity. ERASE did not have any funds that were stipulated by the donor to be maintained in perpetuity as of December 31, 2021 and 2020.

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 net assets without donor restrictions when a restriction expires in the year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of restriction. When a restriction expires, (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. Conditional contributions are accounted for as a liability or are not recognized as revenue initially, until the barriers to entitlement are overcome, at which point a transaction is recognized as unconditional and classified as either net assets with donor restrictions, or net assets without donor restrictions.

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020**

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Fundraising Events: ERASE holds fundraising events to provide additional support for its mission. Revenue from these events is recorded at the time the event takes place. Costs incurred for which a donor receives a direct benefit, exchange transactions, have been offset against the revenue earned in the statements of activities. Other costs related to the event for which the donor does not receive a direct benefit are included within fundraising costs in the statements of functional expenses.

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, Net: 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

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. Some indirect costs including utilities, rent, and telephone are allocated based upon the time spent by staff categories. Other indirect costs such as legal/accounting have all been allocated to management and general, as these are not affiliated with program related initiatives 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, 2021 and 2020 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

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020**

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Leased Employees (continued):

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 they would have paid for, had they not been donated. ERASE did not receive any donated services during 2021 or 2020. 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.

New Accounting Pronouncement: During the year ended December 31, 2020, ERASE adopted Accounting Standards Update ("ASU") 2018-08, Not-for-Profit Entities (Topic 958): *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. ASU 2018-08 amends Accounting Standards Codification ("ASC") 958, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. The amendments in this ASU were intended to assist entities in (1) evaluating whether (reciprocal) transactions are subject to other guidance (i.e. ASC 606) and (2) determining whether a contribution(s) is conditional. ERASE has determined that there is no impact to the financial statements as a result of the adoption of this ASU.

Effective for the year ending December 31, 2022, ERASE will be required to adopt FASB ASC Topic 842, *Leases*, for all operating leases. Under this new accounting pronouncement, ERASE will recognize 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 assets is charged to rent expense, which is recorded on the straight-line basis over the term of each lease, unless another systematic and rational basis is more representative of the time pattern in which the use benefit is derived from the leased property, in which case that basis will be used.

Events Occurring After Report Date: ERASE has evaluated events and transactions that occurred between January 1, 2022 and May 5, 2022, 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**

Financial instruments that potentially subject ERASE to concentrations of credit risk consist principally of cash and cash equivalents. Throughout the year, ERASE has cash or deposits with financial institutions that are in excess of Federal Deposit Insurance Corporation limits. ERASE's cash and cash equivalent accounts have been placed with high credit quality financial institutions. ERASE has not experienced, nor does it anticipate, any losses with respect to such accounts.

Approximately 20% of total support and revenue in 2021 was from one donor. Approximately 30% of total support and revenue in 2020 was from two donors.

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020**

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**NOTE 2 - CONCENTRATIONS OF CREDIT RISK AND SUPPORT (continued)**

As of December 31, 2021 approximately 40% of total accounts receivables was from one donor. There were no major concentrations of contributions and grants receivables as of December 31, 2020.

**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.

Effective February 1, 2021 the lease was extended through January 31, 2023. The amended lease agreement calls for monthly \$1,928 through January 31, 2022 and \$2,062 through January 31, 2023.

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

2022.....	\$	23,275
2023.....		<u>2,062</u>
Total obligation.....	\$	<u><u>25,337</u></u>

Total rent expense incurred under operating leases totaled \$24,570 and \$22,973 for the years ended December 31, 2021 and 2020, respectively.

**NOTE 4 - OPERATIONS**

The overall mission that has guided ERASE’s work from its inception continued in 2021. This mission is to expose forms of racial discrimination and advocate for the engagement of the public in changing laws and policies to help eliminate racial disparities, particularly in the areas of housing, community development, and public education. ERASE’s vision is to seek transformed, integrated communities in which no person’s access to opportunity is limited by race or ethnicity.

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

- Civil rights laws must be enforced.
- Discriminatory policies must end.

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020**

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**NOTE 4 - OPERATIONS (continued)**

- 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.

**Accomplishments during 2021**

**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 Student Voices Campaign that equips students with knowledge and leadership skills to stand for inclusion and equity in their schools and districts.
- A Parent Organizing component to equip and rally parents behind policies and practices that advance inclusion and equity.
- Knowledge and Awareness-Building via social, alternative, and traditional media as well as workshops and forums.
- A Professional Development Program for Teachers lauded for its workshops on culturally responsive pedagogy, understanding and eliminating bias, and serving diverse classrooms.
- An Education Equity Working Group consisting of 353 area educators, parents, academics, and advocates.
- 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.

A sampling of activities and accomplishments to advance education equity in 2021:

- The Rauch Foundation renewed its support of the Initiative with a \$100,000 general support grant. Other institutional funding came from the Fred and Gilda Nobel Foundation, the Long Island Unitarian Universalist Fund, Bethpage Federal Credit Union, and the Nassau Bar WE CARE Fund. A partnership with the Rauch Foundation, which underwrote fellowships for Long Island educators to attend the Reimagining Education Summer Institute at Teachers College, Columbia University as well as funding for a communications consultant, helped ERASE continue to gain important visibility in regional and local media.



**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020**

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**NOTE 4 - OPERATIONS (continued)**

- ERASE Racism’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 programs:
  - The Student Task Force for Racial Equity plays a leadership role in the Student Voices Campaign. In 2021 it had 66 students from 28 districts. Students helped to organize and lead presentations and small group activities at two Long Island Leaders of Tomorrow Conferences. The conferences were attended by 276 students and 25 educators from 38 districts across Long Island.
  - Student Task Force members also presented to educators from across the U.S. at the four-day Reimagining Education Summer Institute (“RESI”) at Columbia University Teachers College. Five students presented a workshop about facilitating conversations related to current events in classrooms, and another 6 students along with President Gross participated in a plenary discussion about their experience in Long Island’s segregated schools. We recruited 30 educators to from 8 school districts in Nassau and Suffolk to attend RESI and the Rauch Foundation paid for registration fees for the participants. President Gross and a STF Alumni also participated in a policy roundtable as panelists.
  - Throughout the year, Task Force members met regularly to discuss local, national and global current events related to racial and social justice, and to set goals for advancing diversity, equity and inclusion goals in their schools and communities. Two students started clubs at their schools modeled after ERASE Racism’s Student Task Force.
  - In October 2021 ERASE Racism announced its forth annual “Raise Your Voice Essay Contest.” Four winners received \$500 scholarships underwritten by our partner SCOPE Educational Services.
  - ERASE Racism hosted two meetings for superintendents across Long Island to share resources on implementing Culturally Responsive-Sustaining Education (“CR-SE”) and increasing educators of color in their districts.
  - ERASE Racism hosted 3 dialogues with different groups of constituents - non-profit and community leaders, faith-based leaders, and business leaders -- in order to address local attacks on Diversity, Equity and Inclusion initiatives by school districts and communities on Long Island. In total the meetings were attended by 118 people.
  - ERASE Racism organized a teach-in as part of a national Teach the Truth Day of Action at the Henry Lloyd Manor House in Huntington, New York, where students, parents, and community members learned about the history of slavery on Long Island.

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020**

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**NOTE 4 - OPERATIONS (continued)**

- ERASE Racism conducted workshops for 9 different K-12 schools on Long Island.
- ERASE Racism submitted an essay for the State of Integration report for the National Coalition on School Diversity, highlighting teacher segregation, disparate access to resources, and issues related to CR-SE implementation for Long Island.

**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 2021:

- ERASE Racism worked closely with Long Island Builders Institute throughout 2021 to track affordable and multifamily housing developments being planned on Long Island, under a Community Organizing grant from Enterprise, to ultimately develop a strategy for proactively advocating for affordable housing on Long Island.
- ERASE Racism implemented four fair housing workshops under a contract with Suffolk County Division of Human Rights. Three were in English and one was in Spanish.
- President Elaine Gross presented at two New York State Division of Human Rights (“NYSDHR”) Fair Housing Month Events in April 2021.
- Policy Analyst/Researcher Cam Owen began developing Affirmatively Furthering Fair Housing (“AFFH”) tools—to measure the AFFH potential of proposed housing developments. President Gross began actively using the assessment tool in her role as a member of the State of New York Mortgage Authority Board to analyze if housing developments have the potential to further fair housing or further housing segregation.
- President Elaine Gross was invited to provide opening remarks at an event hosted by New York State Lieutenant Governor about the 9 Fair Housing Bills passed by Governor Hochul in December 2021.

**Community Education and Mobilizing the Partnership for Racial Equity**

Educating and mobilizing the public remains a core activity that builds a constituency for racial equity.

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020**

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**NOTE 4 - OPERATIONS (continued)**

A sampling of activities and accomplishments in 2021:

ERASE Racism’s President Elaine Gross participated in speaking engagements and activities with the following groups and organizations:

- League of Women Voters, Eastern Nassau – Structural Racism Today
- First Baptist Church of Glen Cove – Interviewed by Pastor about work of ERASE Racism and the state of racism on Long Island
- Panelist at Desegregate Housing: A Strategic Workshop, Pratt Institute
- Dismantling Racism workshop, Adelphi University-participants included President Christine Riordan
- Presentation to Joint Meeting of the three Long Island BOCES Board Members-Diversity, Equity and Inclusion
- Honoree for Long Island Press, Power 100 List
- Power Women of Long Island 2021
- Panelist Taping for WLIW-FM/WNET Group, PBS series Exploring Hate
- Consultation with Hewlett Woodmere School District
- Meeting with Executive Board of the Nassau County Superintendent’s Association about collaboration on promoting Diversity, Equity and Inclusion (“DEI”) and CR-SE
- Panelist presenting recommendations from the Suffolk County Fair Housing Task Force Report to the Government Operations, Personnel, Information Tech & Diversity Committee
- Panelist for Suffolk County Juneteenth Event

ERASE Racism sent 10 EMERGE e-newsletters and 17 E-Alerts to 5,050 subscribers for each newsletter. The newsletters informed subscribers about the leadership exhibited by our Student Task Force, fair housing workshops and other program offerings by ERASE Racism, and important news related to fair housing legislation, among other information.

Media coverage of ERASE Racism in 2021 included 140 stories in total in outlets spanning from local to national, including Poverty & Race Journal, News 12, Newsday, City & State New York, The Hill, Politico and The Real Deal. Of the 140 stories, 46 reached audiences beyond Long Island. Eleven of the stories were bylined articles by Elaine Gross, including national publications like USA Today and the Daily News.

The media coverage continues to elevate ERASE Racism’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 things, the following:

- ERASE Racism’s perspective on the importance of Culturally Responsive-Sustaining Education and teaching the history of structural racism in Long Island schools

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020**

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**NOTE 4 - OPERATIONS (continued)**

- ERASE Racism’s leadership in addressing and ending housing discrimination on Long Island and in the region
- ERASE Racism’s efforts to raise awareness of structural racism’s implications for housing and public school education

Included among the coverage in 2021 are the following 11 op-ed articles by Elaine Gross:

- Poverty & Race Journal - December 2021 - “Long Island High School Students Advocate for Housing and School Integration”
- Long Island Herald - November 18, 2021 - “Slavery on L.I.: We should talk about it in school”
- The Hill - September 17, 2021 - “Why is keeping the truth from students so politically appealing?”
- Newsday - July 19, 2021 - “LI Needs More Minority Schoolteachers” - Co-authored with Columbia University Professor Amy Stuart Wells
- Long Island Herald - July 1, 2021 - “Four milestones on the road to racial equity” (republished in the Long Island Advance)
- Daily News - April 6, 2021 - “Even in N.Y., a shameful legacy of housing discrimination to unravel”
- Newsday - March 25, 2021 - “New York State reinforcing Long Island’s racial education gap”
- Long Island Press - February 28, 2021 - “Op-ed: How Local Governments Can End Housing Discrimination on Long Island”
- Long Island Herald - February 11, 2021 - “Momentum builds to eliminate housing discrimination”
- USA Today - February 4, 2021 - “Erase structural racism: 5 steps Joe Biden can take to make U.S. laws, policies more just.”

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020**

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**NOTE 4 - OPERATIONS (continued)**

In 2021 ERASE Racism delivered 69 workshops to over 2,000 participants. In addition to the 9 workshops/presentations for K-12 schools, ERASE Racism conducted workshops for 6 universities/university affiliates, 6 libraries or organizations for librarians, 1 church, 3 corporate clients, 2 non-profits, and 2 governmental/community organizations. In total we conducted 69 workshops for 29 different clients in industries including education, finance, government, library, media, non-profit, religious services, transportation, and sports. The workshops consist of four core modules: 1) The Development of Race and Racism, 2) Structural Racism on Long Island; 3) Implicit Bias, Microaggressions, and Next Steps to Address Racism, and 4) Institutional Assessment, as well as custom workshops.

- Workshops were provided to the following businesses, organizations, and schools; Adelphi University, Babylon Schools, Bay Shore High School, Cold Spring Harbor Schools (BOCES), Copiague Library, Energeia Partnership, Garden City Community Church, Great Neck North High School, Harborfields School District, Hewlett-Woodmere Schools, Hofstra University, John Jermain Memorial Library, Long Island Library Resource Council, Long Island Nets, Nassau Library System, NICE Bus, Northport-East Northport Public Library, Peconic Community School, RSF Social Finance, Smithtown Anti-Bias Task Force, South Country Library, Stony Brook University Medicine, The Safe Center LI, Uniondale High School, Westbury High School, Western Suffolk BOCES, and the WNET Youth Collective Summit.

**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%. The LOC was paid in full as of both December 31, 2021 and 2020. The LOC is renewed annually.

**NOTE 6 - AVAILABILITY AND LIQUIDITY**

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

	<b>2021</b>	<b>2020</b>
Financial assets at year-end:		
Cash and cash equivalents.....	\$ 594,739	\$ 516,400
Restricted cash and cash equivalents .....	15,000	4,487
Contributions and grants receivable .....	103,177	143,345
Total financial assets	712,916	664,232
Contractual or donor-imposed restrictions:		
Purpose restrictions to be met in less than a year .....	(15,000)	(76,103)
Financial assets available to meet general expenditures over the next twelve months.....	\$ 697,916	\$ 588,129

**NOTES TO FINANCIAL STATEMENTS  
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**NOTE 6 - AVAILABILITY AND LIQUIDITY (continued)**

ERASE’s goal is generally to maintain financial assets to meet ninety days of operating expenses (approximately \$162,000). ERASE has a \$45,000 line of credit available to meet cash flow needs (refer to Note 5).

**NOTE 7 - NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions were as follows at December 31,:

	<u>2021</u>	<u>2020</u>
Specific Purpose		
Education .....	\$ -	\$ 6,130
Housing.....	-	67,473
Youth .....	15,000	-
Program development .....	-	2,500
Total .....	<u>\$ 15,000</u>	<u>\$ 76,103</u>

Net assets released from donor restrictions were as follows for the years ended December 31,:

	<u>2021</u>	<u>2020</u>
Satisfaction of Purpose Restrictions		
Education .....	\$ 6,130	\$ 40,073
Partner .....	-	5,000
Housing.....	67,473	79,216
Program development .....	2,500	6,500
Total .....	<u>\$ 76,103</u>	<u>\$ 130,789</u>

Donor-restricted contributions whose restrictions are met in the same reporting period are reported as support without donor restrictions. During the years ended December 31, 2021 and 2020, ERASE received \$20,000 and \$34,382, respectively, in contributions whose restrictions had been met within the year of contribution and have been reflected as without donor restrictions in the accompanying statements of activities.

Cash and cash equivalents have been restricted in accordance with donor restricted net assets held at year-end. At December 31, 2021 and 2020, net assets with donor restrictions of \$15,000 and \$76,103 consisted of \$15,000 and \$4,487 of restricted cash and cash equivalents, respectively. At December 31, 2020, net assets with donor restrictions included as part of contributions and grants receivable was \$71,616. There was no net assets with donor restrictions included as part of contributions and grants receivable at December 31, 2021.

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020**

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

As a result of the Coronavirus Aid, Relief, and Economic Security Act (hereinafter, “CARES Act”), on May 3, 2020, ERASE received a long-term note maturing twenty-four months for a total of \$68,144.

The loan was granted as part of the Paycheck Protection Program (“PPP”) to help businesses impacted by the COVID-19 pandemic. Under the terms of the loan, a portion or all of the loan may be forgiven as a grant with the ultimate amount payable depending on the uses of the loan and the criteria set forth in the CARES Act, subsequent guidance and regulations. The SBA approved the loan forgiveness and all accrued interest and ERASE recognized the forgiveness income during the year ended December 31, 2020.

ERASE received a second PPP loan on April 5, 2021 in the amount of \$69,695, maturing in April 2026. Interest accrued on the unpaid principal, retroactive to the date of the loan, at a rate of 1.00% per annum. The SBA approved the loan forgiveness in February 2022 and loan forgiveness income was recognized for the year ended December 31, 2021.

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 twenty-four months. Subsequent to the deferral period monthly payments of \$641 will be made by ERASE. All remaining principal and accrued interest will be due and at maturity. The loan is secured by substantially all assets of ERASE.

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

2022 .....	\$	-
2023 .....		-
2024 .....		651
2025 .....		3,631
2026 and thereafter .....		145,718
Total loan repayments.....	\$	<u>150,000</u>

Furthermore, as a result of the spread of the COVID-19 coronavirus, economic uncertainties have arisen, which may negatively impact operating results. The long-term impact of the pandemic on ERASE’s operating results and financial position is uncertain and the full financial impact of this matter, if any, cannot be estimated at this time.

**NOTES TO FINANCIAL STATEMENTS  
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**NOTE 9 - RELATED-PARTY TRANSACTION**

ERASE received a promissory note from the Board Treasurer of ERASE, in the amount of \$50,000 on April 14, 2020. The note bore interest at a rate of 0.91% per annum and was originally set to mature on March 31, 2023. This note was intended to provide economic relief to ERASE due to the COVID-19 pandemic. On October 26, 2021, the note was converted into a gift to ERASE with no payments being required to the Board Treasurer. This amount is included in contributions and grants revenue on the accompanying statement of activities for the year ended December 31, 2021.