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EDUCATION
RESEARCH
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SUPPORT TO
ELIMINATE
RACISM

*FINANCIAL STATEMENTS
AND INDEPENDENT AUDITORS' REPORT*

FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019



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**FINANCIAL STATEMENTS
AND INDEPENDENT AUDITORS' REPORT
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019
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Independent Auditors' Report

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

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, 2020 and 2019, 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, 2020 and 2019, 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

June 28, 2021
Bohemia, New York

STATEMENTS OF FINANCIAL POSITION
DECEMBER 31,

2020 **2019**

ASSETS		
Current Assets:		
Cash and cash equivalents.....	\$ 516,400	\$ 29,406
Restricted cash and cash equivalents.....	4,487	63,081
Current portion of contributions and grants receivable.....	143,345	120,965
Prepaid expenses and other current assets.....	9,940	8,573
TOTAL CURRENT ASSETS	674,172	222,025
Contributions and grants receivable, net of current portion.....	-	57,093
Property and equipment, net of accumulated depreciation	1,428	3,827
Security deposit.....	6,969	6,969
TOTAL ASSETS	\$ 682,569	\$ 289,914
LIABILITIES AND NET ASSETS		
Current Liabilities:		
Accounts payable and accrued expenses	\$ 36,533	\$ 55,501
Deferred revenue.....	-	500
TOTAL CURRENT LIABILITIES	36,533	56,001
Notes payable.....	200,000	-
TOTAL LIABILITIES	236,533	56,001
Net Assets:		
Without donor restrictions.....	369,933	37,638
With donor restrictions.....	76,103	196,275
TOTAL NET ASSETS	446,036	233,913
TOTAL LIABILITIES AND NET ASSETS	\$ 682,569	\$ 289,914

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

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
SUPPORT AND REVENUE:			
Contributions and grants.....	\$ 492,357	\$ 10,617	\$ 502,974
Registration fees.....	-	-	-
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>
Total Support and Revenue	958,847	(120,172)	838,675
 EXPENSES:			
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>
Total Program Services	515,706	-	515,706
 Supporting services:			
Management and general.....	51,543	-	51,543
Development.....	<u>59,303</u>	<u>-</u>	<u>59,303</u>
Total Supporting Services	<u>110,846</u>	<u>-</u>	<u>110,846</u>
Total Expenses	<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 ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2019**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
SUPPORT AND REVENUE:			
Contributions and grants.....	\$ 252,448	\$ 186,988	\$ 439,436
Registration fees.....	12,350	-	12,350
Consulting fees.....	30,350	-	30,350
Paycheck Protection Program loan forgiveness	-	-	-
Other income.....	2,770	-	2,770
Net assets released from restrictions.....	167,301	(167,301)	-
Gross proceeds from special events.....	273,203	-	273,203
Less: direct benefits to donors.....	(66,039)	-	(66,039)
Net proceeds from special events.....	<u>207,164</u>	<u>-</u>	<u>207,164</u>
Total Support and Revenue	672,383	19,687	692,070
EXPENSES :			
Program services:			
Housing.....	80,977	-	80,977
Education.....	212,138	-	212,138
Public education/seminars.....	40,875	-	40,875
Partner.....	206,512	-	206,512
Racism research.....	54,247	-	54,247
Youth.....	<u>23,556</u>	<u>-</u>	<u>23,556</u>
Total Program Services	618,305	-	618,305
Supporting services:			
Management and general.....	28,315	-	28,315
Development.....	<u>56,513</u>	<u>-</u>	<u>56,513</u>
Total Supporting Services	<u>84,828</u>	<u>-</u>	<u>84,828</u>
Total Expenses	<u>703,133</u>	<u>-</u>	<u>703,133</u>
Change in net assets.....	(30,750)	19,687	(11,063)
Net assets, beginning of year.....	<u>68,388</u>	<u>176,588</u>	<u>244,976</u>
Net assets, end of year.....	<u>\$ 37,638</u>	<u>\$ 196,275</u>	<u>\$ 233,913</u>

**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
	<u>\$ 102,329</u>	<u>\$ 130,847</u>	<u>\$ 45,584</u>	<u>\$ 126,690</u>	<u>\$ 77,257</u>	<u>\$ 32,999</u>	<u>\$ 515,706</u>	<u>\$ 51,543</u>	<u>\$ 59,303</u>	<u>\$ 626,552</u>

**STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2019**

	Program Services						Supporting Services		Total Expenses	
	Housing	Education	Public Education / Seminars	Partner	Racism Research	Youth	Total Program	Management and General		Development
Staff leasing expense.....	\$ 61,527	\$ 177,760	\$ 20,649	\$ 134,712	\$ 36,481	\$ 14,727	\$ 445,856	\$ 686	\$ 40,431	\$ 486,973
Professional fees.....	5,445	7,514	12,771	41,230	678	620	68,258	14,121	871	83,250
Telecommunications.....	371	3,183	120	2,852	193	113	6,832	1,708	495	9,035
Equipment and maintenance....	159	785	55	615	6,673	35	8,322	571	230	9,123
Supplies.....	321	1,225	143	741	587	1,802	4,819	1,780	752	7,351
Conferences.....	65	2,217	1,337	26	-	4,723	8,368	1,209	81	9,658
Travel and entertainment.....	1,825	4,104	4,306	178	58	326	10,797	408	1,468	12,673
Postage and delivery.....	325	72	16	3,157	235	2	3,807	255	2,959	7,021
Occupancy.....	1,596	7,519	249	5,971	746	499	16,580	2,849	1,993	21,422
Utilities	447	2,159	83	1,659	208	216	4,772	360	567	5,699
Printing and production.....	4,582	1,210	985	5,964	-	255	12,996	-	-	12,996
Insurance.....	1,241	3,163	125	2,505	321	178	7,533	513	926	8,972
Advertising.....	25	120	-	3,608	2,925	-	6,678	-	-	6,678
Miscellaneous.....	2,856	202	-	2,575	5,052	-	10,685	3,699	5,500	19,884
Depreciation	192	905	36	719	90	60	2,002	156	240	2,398
	<u>\$ 80,977</u>	<u>\$ 212,138</u>	<u>\$ 40,875</u>	<u>\$ 206,512</u>	<u>\$ 54,247</u>	<u>\$ 23,556</u>	<u>\$ 618,305</u>	<u>\$ 28,315</u>	<u>\$ 56,513</u>	<u>\$ 703,133</u>

ERASE RACISM, INC.**STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31,****2020 2019****CASH FLOWS FROM OPERATING ACTIVITIES:**

Change in net assets.....	\$ 212,123	\$ (11,063)
<u>Adjustment to reconcile change in net assets to net cash provided by/(used in) operating activities:</u>		
Depreciation.....	2,399	2,398
<u>Changes in operating assets and liabilities:</u>		
Contributions and grants receivable.....	34,713	(148,258)
Prepaid expenses and other current assets.....	(1,367)	3,555
Accounts payable and accrued expenses.....	(18,968)	16,505
Deferred revenue.....	(500)	-
NET CASH PROVIDED BY/ (USED IN) OPERATING ACTIVITIES	228,400	(136,863)

CASH FLOWS PROVIDED BY FINANCING ACTIVITIES:

Proceeds from notes payable.....	<u>200,000</u>	<u>-</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	428,400	(136,863)
Cash and cash equivalents, beginning of year.....	<u>92,487</u>	<u>229,350</u>
Cash and cash equivalents, end of year.....	<u><u>\$ 520,887</u></u>	<u><u>\$ 92,487</u></u>

COMPONENTS OF CASH AND CASH EQUIVALENTS:

Cash and cash equivalents.....	\$ 516,400	\$ 29,406
Restricted cash and cash equivalents.....	<u>4,487</u>	<u>63,081</u>
TOTAL CASH AND CASH EQUIVALENTS	<u><u>\$ 520,887</u></u>	<u><u>\$ 92,487</u></u>

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**

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 2020 and 2019.

NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

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, 2020 and 2019.

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.

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.

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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, 2020 and 2019 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.

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 2020 or 2019. 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: On January 1, 2019, ERASE adopted ASU 2014-09 *Revenue from Contracts with Customers* and all subsequent amendments to the ASU (collectively, "ASC 606"), which (i) creates a single framework for recognizing revenue from contracts with customers that fall within its scope and (ii) revises when it is appropriate to recognize a gain (loss) from the transfer of nonfinancial assets. ERASE's services that fall within the scope of ASC 606 are presented within fundraising events revenue, consulting fees revenue, and registration fees revenue and are recognized as revenue as ERASE satisfies its obligations to the customers. There was no impact on net assets attributable to the adoption of ASC 606.

During the year ended December 31, 2020, ERASE adopted 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.

Events Occurring After Report Date: ERASE has evaluated events and transactions that occurred between January 1, 2021 and June 28, 2021, which is the date the financial statements were available to be issued, for possible disclosure and recognition in the financial statements. ERASE received a second round of Paycheck Protection Program loan on April 5, 2021 in the amount of \$69,695 (see Note 8).

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 30% of total support and revenue in 2020 was from two donors. Approximately 40% of total support and revenue in 2019 was from two donors.

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**

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 payments of \$1,928 per lease agreement through January 31, 2022 and \$2,061 through January 31, 2023.

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

2021.....	\$ 23,475
2022.....	24,605
2023.....	<u>2,062</u>
Total obligation.....	<u>\$ 50,154</u>

Total rent expense incurred under operating leases totaled \$22,973 and \$21,422 for the years ended December 31, 2020 and 2019, respectively.

NOTE 4 - OPERATIONS

The overall mission that has guided ERASE’s work from its inception continued in 2020. This mission is to expose forms of racial discrimination and advocate for the engagement of the public in changing laws and policies to help eliminate racial disparities, particularly in the areas of housing, community development, and public education. ERASE’s vision is to seek transformed, integrated communities in which no person’s access to opportunity is limited by race or ethnicity.

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

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

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**

NOTE 4 - OPERATIONS (continued)

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 2020

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 319 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 2020:

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

NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

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 imparted knowledge about the history behind 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 and Socioeconomic Equity plays a leadership role in the Student Voices Campaign. In 2020 it grew 48 students from 19 districts and 2 private schools. In addition to helping to organize and leading workshops at the Culturally Responsive and Sustaining Education (CRSE) Forum, Task Force members presented to educators from across the U.S. at the four-day *Reimagining Education Summer Institute* at Columbia University Teachers College. Throughout the year, members met regularly, researched demographics of their communities, and set goals for advancing inclusion in their schools and communities.
 - An overnight retreat was held on February 18 at the Seminary of the Immaculate Conception in Huntington. 23 students from 17 school districts attended the retreat.
 - Two student conversations on “*Navigating Life during the Pandemic*” were held on May 23 for Nassau County students and on May 27 for Suffolk County students.
 - In May 2020 ERASE Racism announced its third annual “Raise Your Voice Essay Contest.” Four winners received \$500 scholarships underwritten by our partner SCOPE Educational Services.
- ERASE Racism sent six *EMERGE* e-newsletters to nearly 4,000 subscribers for each. The newsletters announced the *Long Island’s Leaders of Tomorrow* conferences and the *Reimagining Education Institute*; provided details on the CRSE and teacher diversity forums; and announced the essay contest and Student Task Force activities among other information.
- ERASE Racism increased its Education Equity Working Group from 319 to 338 members.

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.

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**

NOTE 4 - OPERATIONS (continued)

A sampling of activities and accomplishments to advance inclusive housing in 2020:

- ERASE Racism president Elaine Gross was a panelist at the Newsday Town Hall meeting held in January as a follow-up to the newspaper's precedent-setting housing discrimination investigation.
- Three Community dialogues were held on January 20, at the Congregation Church of Huntington, United Church of Christ to discuss housing discrimination and segregation.
- Ms. Gross was a panelist for the Black & Hispanic Caucus on February 1 to discuss the impacts from housing discrimination and segregation.
- In August ERASE Racism received a grant from the Suffolk County Division of Human Rights to provide fair housing education and outreach services to prevent housing discrimination and promote compliance with federal, state, and local fair housing laws to Suffolk County residents.
- President Gross was invited to testify at the September 17 joint hearing before the three New York State Senate Committees housing discrimination.

Community Education and Mobilizing the Partnership for Racial Equity

Speaking engagements, workshops and events, Social media and opinion articles are used to educate the public and civic and government leaders.

A sampling of activities in 2020:

Media coverage of ERASE Racism in 2020 included 166 stories in total. It included 144 stories in media focused within the Greater New York tri-state area and an additional 22 stories reaching other states or national audiences. National coverage included MSN Money, NBC News, The Daily Beast, The Hill, USA Today, and Yahoo! News. Other media outlets included, WCBS Newsradio, WCBS-TV, WNBC-TV, WLIW's Metrofocus, Newsday among other outlets.

The media coverage has presented its perspectives on structural racism and its implications, especially in housing and public school education. It has enhanced ERASE Racism's role as a catalyst for inclusive discussion of crucial issues facing the region and beyond - and actions needed to address them.

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

- ERASE Racism's perspective on the racial unrest that has unfolded across the nation since the death of George Floyd
- ERASE Racism's leadership in highlighting the structural racism underlying disparities in mortality amid COVID-19

NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

NOTE 4 - OPERATIONS (continued)

- ERASE Racism’s efforts to raise awareness of structural racism’s implications for housing and public school education
- Ms. Gross was a speaker at the Syosset Inter-faith Teen Program discussing hate. Participants includes Christian, Jews and Muslims.

Included among the coverage in 2020 are the following 10 op-ed articles by Elaine Gross:

- Crain’s New York Business - January 20, 2020 - “Section 8 discrimination is a crime, now Cuomo must fund enforcement”
- Gotham Gazette - February 19, 2020 - “5 Steps to Properly Combat Housing Discrimination in New York”
- The Hill - March 3, 2020 - “HUD has become an obstacle to fair housing”
- Long Island Herald - April 16, 2020 - “No surprise: More blacks and Latinos are dying of Covid-19”
- Long Island Herald - May 15, 2020 - “More state action is needed for fair housing”
- The Hill - June 4, 2020 - “Underlying America’s Unrest is Structural Racism”
- Newsday - June 28, 2020 - “NY’s police reforms don’t go far enough”
- The Hill - July 25, 2020 - “Suburban Americans should reject Trump’s regressive housing offerings”
- Long Island Herald - September 11, 2020 - “Returning to Long Island’s segregated schools”
- In 2020 ERASE Racism delivered 47 workshops to over 1,500 participants. Workshops were provided to the following businesses, organizations, and schools; the Long Island Nets, Realty Connect, Blue Point Brewery, TD Bank, Girl Scouts of Suffolk County, Energeia, Adelante of Suffolk County, SCO Family of Services, The Safe Center of Long Island, United Way of Long Island, Adelphi University, Friends Academy, Manhasset Schools, Westbury High School, St. Agnes High School, Western Suffolk BOCES, and the Summit School. The workshops consist of four core modules: 1) The Development of Race and Racism, 2) Structural Racism on Long Island (or New York depending on the client,) 3) Implicit Bias, Microaggressions, and Next Steps to Address Racism, and 4) Institutional Assessment: Making Tangible Change at Work.

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**

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, 2020 and 2019. The LOC is renewed annually.

NOTE 6 - AVAILABILITY AND LIQUIDITY

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

	2020	2019
Financial assets at year-end:		
Cash and cash equivalents.....	\$ 561,400	\$ 29,406
Restricted cash and cash equivalents	4,487	63,081
Contributions and grants receivable	143,345	178,058
Total financial assets	709,232	270,545
Receivables scheduled to be collected in more than one year.....	-	(57,093)
Contractual or donor-imposed restrictions:		
Purpose restrictions to be met in less than a year	(76,103)	(139,182)
Financial assets available to meet general expenditures over the next twelve months.....	\$ 633,129	\$ 74,270

ERASE’s goal is generally to maintain financial assets to meet sixty days of operating expenses (approximately \$154,000). 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,:

	2020	2019
Specific Purpose		
Education.....	\$ 6,130	\$ 40,073
Housing.....	67,473	144,702
Partner	-	5,000
Program Development.....	2,500	6,500
Total	\$ 76,103	\$ 196,275

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**

NOTE 7 - NET ASSETS WITH DONOR RESTRICTIONS (continued)

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

	2020	2019
Satisfaction of Purpose Restrictions		
Education.....	\$ 40,073	\$ 113,451
Partner.....	5,000	15,000
Housing.....	79,216	-
Program Development.....	6,500	38,850
Total.....	\$ 130,789	\$ 167,301

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, 2020 and 2019, ERASE received \$34,382 and \$126,762, 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, 2020 and 2019, net assets with donor restrictions of \$76,103 and \$196,275 consisted of \$4,487 and \$63,081 of restricted cash and cash equivalents, respectively. At December 31, 2020 and 2019, net assets with donor restrictions included as part of contributions and grants receivable were \$71,616 and \$133,194, respectively.

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 note was originally issued with a six-month deferral period that did not require payments to be made until November 2020. Interest accrues on the unpaid principal, retroactive to the date of the loan, at a rate of 1.00% per annum.

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. Forgiveness revenue will be recorded at the time the United States Small Business Administration ("SBA") approves ERASE's request for forgiveness, which must be submitted prior to August 15, 2021. The SBA approved the loan forgiveness in June 2021.

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**

NOTE 8 - FINANCIAL IMPACTS RELATED TO THE COVID-19 PANDEMIC (continued)

Subsequent to year end, ERASE received a second PPP loan on April 5, 2021 in the amount of \$69,695, maturing in April 2026. Interest accrues on the unpaid principal, retroactive to the date of the loan, at a rate of 1.00% per annum. The note was issued with a ten-month deferral period. ERASE’s request for forgiveness must be submitted by February 5, 2022. Any amount not forgiven will be payable ratably between the date of the SBA forgiveness decision and April 5, 2026, the date the loan matures. Management will assess how much of the loan amount will be forgiven.

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. Pursuant to the terms of the loan, commencing on June 20, 2021, ERASE must make monthly payments of principal and interest in the amount of \$641. 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;

2021	\$	-
2022		1,224
2023		3,647
2024		3,737
2025 and thereafter		141,392
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 financial impact of this matter, if any, cannot be estimated at this time.

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 bears interest at a rate of 0.91% per annum and matures on March 31, 2023. This note is intended to provide economic relief to ERASE due to the COVID-19 pandemic. As of December 31, 2020, the loan balance remains at \$50,000 with no accrued interest.