

**BERKSHIRE ENVIRONMENTAL  
ACTION TEAM, INC.**

**Financial Statements**

**December 31, 2023**

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# Adelson & Company PC

CERTIFIED PUBLIC ACCOUNTANTS

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## INDEPENDENT AUDITORS' REPORT

To the Board of Directors of  
**BERKSHIRE ENVIRONMENTAL ACTION TEAM, INC.**  
20 Chapel Street  
Pittsfield, Massachusetts 01201

### Opinion

We have audited the financial statements of Berkshire Environmental Action Team, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2023, and the related statements of activities, functional expenses, and cash flows for the year 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 Berkshire Environmental Action Team, Inc. as of December 31, 2023, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### Basis for Opinion

We conducted our audit 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 Berkshire Environmental Action Team, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. 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 the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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 Berkshire Environmental Action Team, Inc.'s ability to continue as a going concern for one year after the date that the financial statements are issued.

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Berkshire Environmental Action Team, Inc.'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 judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Berkshire Environmental Action Team, Inc.'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 audit, significant audit findings, and certain internal control related matters that we identified during the audit.

## **Prior Period Financial Statements and Summarized Comparative Information**

The December 31, 2022 financial statements were reviewed by us, and our report thereon, dated April 5, 2023, stated we were not aware of any material modifications that should be made to those financial statements for them to be in conformity with accounting principles generally accepted in the United States of America. However, a review is substantially less in scope than an audit and does not provide a basis for the expression of an opinion on the financial statements. We are not aware of any material modifications that should be made to the summarized comparative information presented herein as of and for the year ended December 31, 2022, for it to be consistent with the reviewed financial statements from which it has been derived.

*Adelson + Company PC*

ADELSON & COMPANY PC

May 6, 2024

**BERKSHIRE ENVIRONMENTAL ACTION TEAM, INC.**

**STATEMENT OF FINANCIAL POSITION**

**December 31,**

	(Audited) 2023	Comparative (Reviewed) 2022
	<u>          </u>	<u>          </u>
<b>Assets</b>		
Current assets		
Cash and cash equivalents	\$ 113,700	\$ 129,349
Pledges receivable	16,990	40,000
Gift shop inventory	<u>798</u>	<u>625</u>
Total current assets	131,488	169,974
Property and equipment, net	<u>388,006</u>	<u>137,916</u>
Total assets	<u>\$ 519,494</u>	<u>\$ 307,890</u>
<b>Liabilities and net assets</b>		
Current liabilities		
Accounts payable	<u>\$ 3,388</u>	<u>\$ -</u>
Net assets		
Without donor restrictions	459,851	205,903
With donor restrictions	<u>56,255</u>	<u>101,987</u>
Total net assets	<u>516,106</u>	<u>307,890</u>
Total liabilities and net assets	<u>\$ 519,494</u>	<u>\$ 307,890</u>

See notes to financial statements.

**BERKSHIRE ENVIRONMENTAL ACTION TEAM, INC.**

**STATEMENT OF ACTIVITIES**

**For the Year Ended December 31,**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total (Audited) 2023</u>	<u>Comparative Total (Reviewed) 2022</u>
<b>Revenue and support</b>				
Contributions of financial assets				
Public support	\$ 69,900	\$ -	\$ 69,900	\$ 97,828
Government	284,702	-	284,702	18,958
Foundations and trusts	129,841	43,159	173,000	220,793
Contributions of nonfinancial assets	23,225	-	23,225	28,988
Program income	15,605	-	15,605	13,076
Gift shop income	1,222	-	1,222	919
Interest income	112	-	112	40
Net assets released from restrictions	<u>88,891</u>	<u>(88,891)</u>	<u>-</u>	<u>-</u>
Total revenue and support	<u>613,498</u>	<u>(45,732)</u>	<u>567,766</u>	<u>380,602</u>
<b>Expenses</b>				
Program	275,372	-	275,372	216,962
Management and general	56,305	-	56,305	40,529
Fund-raising	<u>27,873</u>	<u>-</u>	<u>27,873</u>	<u>22,569</u>
Total expenses	<u>359,550</u>	<u>-</u>	<u>359,550</u>	<u>280,060</u>
Change in net assets	253,948	(45,732)	208,216	100,542
Net assets, beginning	<u>205,903</u>	<u>101,987</u>	<u>307,890</u>	<u>207,348</u>
Net assets, ending	<u>\$ 459,851</u>	<u>\$ 56,255</u>	<u>\$ 516,106</u>	<u>\$ 307,890</u>

See notes to financial statements.

**BERKSHIRE ENVIRONMENTAL ACTION TEAM, INC.**

**STATEMENT OF FUNCTIONAL EXPENSES**

**For the Year Ended December 31,**

	<u>Program</u>	<u>Management and General</u>	<u>Fund-raising</u>	<u>Total (Audited) 2023</u>	<u>Comparative Total (Reviewed) 2022</u>
Compensation and related expenses					
Salaries	\$ 165,460	\$ 33,092	\$ 22,061	\$ 220,613	\$ 168,756
Benefits	10,266	2,052	1,369	13,687	-
Payroll taxes	<u>15,633</u>	<u>3,127</u>	<u>2,084</u>	<u>20,844</u>	<u>15,563</u>
Total	191,359	38,271	25,514	255,144	184,319
Advertising and promotion	366	-	-	366	145
Business expenses	204	702	-	906	987
Depreciation	4,112	1,371	-	5,483	2,785
Development	-	1,415	-	1,415	269
Dues and subscriptions	1,413	-	-	1,413	1,099
Information technology					
Website and email services	1,593	748	-	2,341	1,991
Donated annual software licenses	18,000	-	-	18,000	18,000
Insurance	-	3,080	-	3,080	2,997
Occupancy	13,924	2,785	1,856	18,565	13,614
Postage	1,063	213	142	1,418	1,403
Printing and copying	1,532	306	204	2,042	2,696
Professional fees					
Accounting services	-	6,397	-	6,397	2,927
Outside contract services	19,419	-	-	19,419	26,853
Donated professional services	5,166	-	-	5,166	8,218
Supplies	15,481	238	157	15,876	9,803
Travel and meetings	<u>1,740</u>	<u>779</u>	<u>-</u>	<u>2,519</u>	<u>1,954</u>
Total	<u>\$ 275,372</u>	<u>\$ 56,305</u>	<u>\$ 27,873</u>	<u>\$ 359,550</u>	<u>\$ 280,060</u>

See notes to financial statements.

**BERKSHIRE ENVIRONMENTAL ACTION TEAM, INC.**

**STATEMENT OF CASH FLOWS**

**For the Year Ended December 31,**

	(Audited) 2023	Comparative (Reviewed) 2022
	<u>2023</u>	<u>2022</u>
<b>Operating activities</b>		
Change in net assets	\$ 208,216	\$ 100,542
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	5,483	2,785
(Increase) decrease in operating assets:		
Pledges receivable	23,010	(40,000)
Gift shop inventory	(173)	(625)
Increase (decrease) in operating liabilities:		
Accounts payable	3,388	(224)
Net cash provided (used) by operating activities	<u>239,924</u>	<u>62,478</u>
<b>Investing activities</b>		
Additions to property and equipment	<u>(255,573)</u>	<u>-</u>
Net cash provided (used) by investing activities	<u>(255,573)</u>	<u>-</u>
Increase (decrease) in cash and cash equivalents	(15,649)	62,478
Cash and cash equivalents, beginning	<u>129,349</u>	<u>66,871</u>
Cash and cash equivalents, ending	<u>\$ 113,700</u>	<u>\$ 129,349</u>

See notes to financial statements.

# BERKSHIRE ENVIRONMENTAL ACTION TEAM, INC.

## NOTES TO FINANCIAL STATEMENTS

December 31, 2023

### NOTE 1 - NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### **Nature of Activities**

Berkshire Environmental Action Team, Inc. is a not-for-profit corporation organized under Chapter 180 of the laws of the Commonwealth of Massachusetts. The Organization protects the environment for wildlife in support of the natural work that sustains us all. We operate on a strong foundation of science to find, stop, and prevent pollution. The Organization has three major focal areas:

#### **Stewardship**

*Invasive Plant Removals:* we remove non-native invasive plants from local lands. These invasive species degrade local ecosystems and displace native plants that are crucial sources of food and shelter for wildlife. We work with other groups to locate and manage infestations of invasive hardy kiwi in the Berkshires.

*Wildlife Connectivity:* Our Connecting for Wildlife program brings expert and amateur trackers together in the field to learn wildlife sign. We work to strengthen our understanding of wildlife so that their resources and needs can be protected and nourished. We strive to improve habitat connectivity and motorist safety in Western Massachusetts. Roads represent a significant barrier to wildlife movement, subdividing the landscape, fragmenting and degrading habitat, and given traffic, acting as a conspicuous source of wildlife mortality. To address this issue we collaborate with transportation planners, biologists, universities, and locals to identify, survey, and analyze road segments within linkage zones (also known as wildlife corridors).

*River Cleanups:* We work with our neighbors getting our hands dirty cleaning up the Housatonic River. We partner with many organizations, including the Housatonic Valley Organization on river projects.

*Water Quality:* Our work on water quality has identified hundreds of previously unmapped outfalls. We perform outfall surveys and test multiple parameters for water quality assurance. This work is being done for the City of Pittsfield to ensure the city is meeting their National Pollution Discharge Elimination System (NPDES) regulations, U.S. Environmental Protection Agency's program for regulating the discharge of pollutants into our waters. In addition to sampling storm water pipes, we are also involved with Housatonic Valley Organization and Hoosic River Watershed Organization, surveying surface water for temperature, E. coli, and road salt.

#### **Education and Outreach**

Our reach extends throughout the Berkshires and beyond with our bi-weekly newsletter, action alerts, and educational presentations. We sponsor monthly gatherings and attend dozens of events, conferences, and meetings all year long. We work to keep the public informed about environmental issues affecting Western Massachusetts – because an informed and engaged public is the environment's best protection.

#### **Watchdogging**

Our watchdogging work uses evidence-based science along with our years of experience to protect critical habitats, as well as investigate known PCB pollution and day-to-day alerts called in by local residents.

*No Fracked Gas in Mass (NFGiM)* is a program that advocates for safe, clean, accessible energy for all and fights against toxic, dangerous fossil fuels.



## **NOTE 1 - (Continued)**

### **Income Taxes**

The Organization is exempt from federal taxes under Section 501(c)(3) of the Internal Revenue Code and state taxes under applicable state law. In addition, the Organization qualifies for the charitable contribution deduction under Section 170(b)(1)(A)(vi) and has been classified as an organization that is not a private foundation under Section 509(a)(1).

Management has evaluated significant tax positions against the criteria established by professional standards and believes there are no such tax positions requiring accounting recognition. The Organization's tax returns are subject to examination by taxing authorities for all years ending on or after December 31, 2020.

### **Basis of Accounting and Financial Statement Presentation**

The financial statements of the Organization have been prepared on the accrual basis of accounting in accordance with U.S. generally accepted accounting principles. The Organization is required to report information regarding its financial position and activities according to the following net asset classifications:

**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 the Organization. These net assets may be used at the discretion of the Organization'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 the Organization or passage of time. Other donor restrictions may be perpetual in nature, where by the donor stipulates the funds will be maintained in perpetuity.

### **Contributed Services**

Volunteers contribute services to the Organization in all aspects of its programs for which no value has been recognized in the financial statements because these services did not meet the criteria for recognition under generally accepted accounting principles.

### **Contributions of Financial Assets**

The Organization accounts for contributions of financial assets received as increases in net assets without donor restriction or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. When a donor 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 Statement of Activities as net assets released from restrictions. If a restriction is fulfilled in the same time period in which the contribution is received, the Organization reports the support within net assets without donor restrictions.

### **Promises to Give**

Unconditional promises to give are recognized as contribution revenue in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Promises to give are recorded at net realizable value if expected to be collected in one year and at fair value if expected to be collected in more than one year. Conditional promises to give are recognized when the conditions on which they depend are substantially met. The Organization uses an allowance method for promises to give based upon management's analysis of the accounts and prior collection experience.

### **Contributions of Nonfinancial Assets**

The Organization records various types of contribution of nonfinancial assets (in kind contributions) including professional services, advertising and materials. Contributed professional services are recognized at fair market value if the services received (a) create or enhance long-lived assets or (b) require specialized skills which are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation.

## **NOTE 1 - (Continued)**

Contributions of tangible assets are recognized at fair market value when received. The amounts reflected in the accompanying financial statements as contributions of nonfinancial assets are offset by like amounts included in expenses or property and equipment. During 2023, the Organization received contributions of nonfinancial assets of software licenses valued at \$18,000 (\$18,000 in 2022) and professional services valued at \$5,166 (\$8,218 in 2022) which it used for general administrative and program activities. The contributed nonfinancial assets did not have donor-imposed restrictions.

### **Cash and Cash Equivalents**

For the purpose of the statement of cash flows, the Organization considers all highly liquid investments purchased with a maturity of three months or less to be cash equivalents.

### **Revenue Recognition**

#### *Contributions and Grants*

The Organization recognizes contributions when cash, securities or other assets, an unconditional promise to give, or a notification of a beneficial interest is received. Grants, which are non-exchange transactions, are recorded once all conditions are met. Conditional promises to give, that is those with a measurable performance or other barrier and a right of return, are not recognized until the conditions on which they depend have been met.

#### *Gift Shop*

Gift shop sales are recognized at the time of purchase.

### **Inventory**

Inventory is stated at the lower of acquisition cost or net realizable value. Cost is determined by the first-in, first-out method.

### **Property and Equipment**

The Organization capitalizes all expenditures for property and equipment with a useful life greater than one year and a cost in excess of \$2,500. Purchased equipment is recorded at cost. Donated equipment is recorded at fair market value at the date of donation. Depreciation of buildings and equipment is provided over the estimated useful lives of the assets using the straight-line method.

### **Functional Allocation of Expenses**

The costs of providing program and support activities have been summarized on a functional basis in the statement of activities. The statement of functional expenses presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated using management's estimates among the program and supporting activities benefited. The expenses that are allocated include occupancy and depreciation, which are allocated on a square footage basis, as well as salaries, professional services, office expenses, and other expenses, which are allocated based on estimates of time and effort.

### **Advertising**

The Organization expenses advertising costs as incurred. The amounts for each year were not material to the financial statements.

### **Use of Estimates**

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

## NOTE 1 - (Continued)

### Subsequent Events

Management has evaluated subsequent events through May 6, 2024, the date that the financial statements were available for issue, and has determined that there are no additional adjustments or disclosures required.

### Summarized Comparative Financial Information

The financial statements for the year ended December 31, 2022 are presented for comparative purposes and is not intended to be a complete financial statement presentation. Certain items in the comparative prior year totals may have been reclassified to conform to the current year presentation.

## NOTE 2 - CONCENTRATION OF CREDIT RISK

Financial instruments, which potentially subject the Organization to concentrations of credit risk, consist principally of cash. The Organization maintains its cash in various bank deposit accounts, which at times may exceed federally insured limits. Bank deposits at December 31, 2023 was \$201,760, which was fully insured.

## NOTE 3 - UNCONDITIONAL PROMISES TO GIVE

Unconditional promises at December 31, 2023 was \$16,990 and is restricted for the Watchdogging program, No Fracked Gas in Mass. In Management's judgement, an allowance for uncollectible accounts was not considered necessary.

## NOTE 4 - PROPERTY AND EQUIPMENT

	(Audited) 2023	Comparative (Reviewed) 2022
Land	\$ 34,400	\$ 34,400
Building	90,500	90,500
Building improvements	271,943	16,370
Total	396,843	141,270
Accumulated depreciation	(8,837)	(3,354)
Property and equipment, net	<u>\$ 388,006</u>	<u>\$ 137,916</u>

Depreciation expense was \$5,483 and \$2,785 for the years ended December 31, 2023 and 2022, respectively.

## NOTE 5 - NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are available for the following purposes:

	(Audited) 2023	Comparative (Reviewed) 2022
<b>Subject to expenditure for specified purpose:</b>		
Capital campaign renovations	\$ -	\$ 46,978
Northeast Wildlife Trackers	13,096	15,009
Watchdogging - No Fracked Gas in Mass	37,659	40,000
Stewardship	5,500	-
	<u>56,255</u>	<u>-</u>
Total net assets with donor restrictions	<u>\$ 56,255</u>	<u>\$ 101,987</u>

## NOTE 6 - NET ASSETS RELEASED FROM DONOR RESTRICTIONS

Net assets were released from donor restrictions during the year ended December 31, 2023 by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by donors.

<b>Purpose restriction accomplished - funds expended for:</b>	
Capital campaign renovations	\$ 46,978
Northeast Wildlife Trackers	1,913
Watchdogging - No Fracked Gas in Mass	<u>40,000</u>
Total	<u>\$ 88,891</u>

## NOTE 7 - RELATED PARTY

The Executive Director of the Organization is married to a board member.

## NOTE 8 - LIQUIDITY

The following reflects the Organization's financial assets as of the statement of financial position date, reduced by amounts not available for general use within one year of the statement of financial position date because of donor-imposed or other restrictions.

	(Audited) 2023	Comparative (Reviewed) 2022
Financial assets at year end		
Cash and cash equivalents	\$ 113,700	\$ 129,349
Pledges receivable	<u>16,990</u>	<u>40,000</u>
Total financial assets	<u>130,690</u>	<u>169,349</u>
Less amounts not available to be used within one year:		
Net assets with donor restrictions	56,255	101,987
Less net assets with restrictions to be met within one year	<u>(43,159)</u>	<u>(86,978)</u>
Total amount not available to be used within one year	<u>13,096</u>	<u>15,009</u>
Financial assets available to meet general expenditures over the next twelve months	<u>\$ 117,594</u>	<u>\$ 154,340</u>

As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In addition, the Organization invests its cash in excess of daily requirements in short-term investments, such as money market accounts, savings accounts, and/or certificates of deposit.