CLEAN AIR COUNCIL

FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION

For the Years Ended June 30, 2016 and 2015

JEBRAN & ABRAHAM, PC
Certified Public Accountants and Business Consultants

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For the Years Ended June 30, 2016 and 2015

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INDEPENDENT AUDITORS' REPORT

The Board of Directors
Clean Air Council
Philadelphia, Pennsylvania

Report on the Financial Statements

We have audited the accompanying financial statements of Clean Air Council (a nonprofit organization), which comprise the statements of financial position as of June 30, 2016 and 2015, and the related statements of activities and changes in net assets, 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.

Auditor's 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 and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit 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 auditor's 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 the entity'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 the entity'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 Clean Air Council as of June 30, 2016 and 2015, 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 27, 2017, on our consideration of Clean Air Council's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Clean Air Council's internal control over financial reporting and compliance.

Jebran & Abraham, P.C.
New Britain, Pennsylvania
April 27, 2017

CLEAN AIR COUNCIL
STATEMENTS OF FINANCIAL POSITION
As of June 30, 2016 and 2015

	2016	2015
ASSETS		
Current Assets		
Cash	$ 491,130	$ 716,329
Contracts receivable	591,237	388,587
Grants and other receivables	290,836	1,080,336
Prepaid expenses	21,465	15,773
Total Current Assets	1,394,668	2,201,025
Property and Equipment		
Office equipment	31,766	54,668
Less accumulated depreciation	(19,361)	(35,289)
Property and Equipment, Net	12,405	19,379
Other Assets		
Investments, at Fair Market Value	66,688	59,646
Deposits	3,508	3,508
Total Other Assets	70,196	63,154
Total Assets	$ 1,477,269	$ 2,283,558
LIABILITIES AND NET ASSETS		
Liabilities		
Current Liabilites		
Accounts payable	$ 158,142	$ 151,684
Current portion of capital lease obligation	3,969	8,228
Salaries and payroll taxes payable	58,498	53,583
Accrued expenses	-	3,471
Due to other entities	7,035	7,035
Total Current Liabilities	227,644	224,001
Long-Term Liabilities		
Capital lease obligation - net of current portion	-	3,969
Net Assets		
Unrestricted net assets	350,403	395,405
Temporarily restricted net assets	899,222	1,660,183
Total Net Assets	1,249,625	2,055,588
Total Liabilities and Net Assets	$ 1,477,269	$ 2,283,558

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

CLEAN AIR COUNCIL
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
For the Year Ended June 30, 2016

	Unrestricted	Temporarily Restricted	Total
Revenue and Support			
Contract revenue	$ 917,098	$ -	$ 917,098
Contributions	428,608	211,056	639,664
Memberships	263,527	-	263,527
Noncash contributions	10,100	-	10,100
Miscellaneous	450	-	450
Interest and Dividends	7,085	-	7,085
Unrealized gain (loss) on marketable securities	1,122	-	1,122
Realized gain on marketable securities	4,608	-	4,608
Net assets released from restrictions -			
Satisfaction of program requirements	972,017	(972,017)	-
Total Revenue and Support	2,604,615	(760,961)	1,843,654
Expenses			
Program services	2,259,961	-	2,259,961
Supporting	389,656	-	389,656
Total Expenses	2,649,617	-	2,649,617
Changes in Net Assets	(45,002)	(760,961)	(805,963)
Net Assets, Beginning of Year	395,405	1,660,183	2,055,588
Net Assets, End of Year	$ 350,403	$ 899,222	$ 1,249,625

The accompanying notes are an integral part of these financial statements

CLEAN AIR COUNCIL
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
For the Year Ended June 30, 2015

	Unrestricted	Temporarily Restricted	Total
Revenue and Support			
Contract revenue	$ 728,746	$ -	$ 728,746
Contributions	327,949	1,417,683	1,745,632
Memberships	274,597	-	274,597
Miscellaneous	11,770	-	11,770
Interest and Dividends	5,208	-	5,208
Unrealized gain on marketable securities	(2,626)	-	(2,626)
Special events, Net of $238,358 of expenses	(61,806)	-	(61,806)
Net assets released from restrictions -			
Satisfaction of program requirements	767,050	(767,050)	-
Total Revenue and Support	2,050,888	650,633	2,701,521
Expenses			
Program services	1,861,423	-	1,861,423
Supporting	344,992	-	344,992
Total Expenses	2,206,415	-	2,206,415
Changes in Net Assets	(155,527)	650,633	495,106
Net Assets, Beginning of Year	550,932	1,009,550	1,560,482
Net Assets, End of Year	$ 395,405	$ 1,660,183	$ 2,055,588

The accompanying notes are an integral part of these financial statements

CLEAN AIR COUNCIL
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended June 30, 2016

	PROGRAM EXPENSES							SUPPORTING EXPENSES			
	Outdoor Air Quality Education	Energy Education	Transportation Education	Other Education	Public Awareness Events	Global Warming Education	Total Program Expenses	General & Administrative	Fundraising	Total Supporting Expenses	Total Expenses
Audit fees	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 7,833	$ -	$ 7,833	$ 7,833
Consulting fees	147,563	13,486	329,008	1,621	43,335	12,549	547,562	22,661	-	22,661	570,223
Employee benefits	39,893	5,184	22,003	6,083	5,402	12,456	91,021	12,578	5,098	17,676	108,697
Equipment rental	793	103	437	121	31,517	248	33,219	250	101	351	33,570
Insurance	4,017	522	2,216	613	-	1,254	8,622	1,267	513	1,780	10,402
Legal fees	3,109	88	325	-	-	-	3,522	26,507	-	26,507	30,029
Meals and lodging	14,920	559	958	153	5,103	1,831	23,524	18,623	340	18,963	42,487
Office	21,407	2,003	8,150	2,083	21,186	4,342	59,171	34,530	3,027	37,557	96,728
Office rent	23,013	2,991	12,693	3,509	6,055	7,185	55,446	7,256	2,941	10,197	65,643
Payroll taxes	33,905	4,406	18,700	5,170	2,359	10,586	75,126	10,690	4,332	15,022	90,148
Postage and mailing	4,704	546	2,471	641	1,564	1,312	11,238	1,325	563	1,888	13,126
Printing and design	11,549	734	10,406	882	33,807	1,870	59,248	1,780	722	2,502	61,750
Promotion	120,258	1,009	10,433	110	51,943	15,054	198,807	6,072	9	6,081	204,888
Salaries	459,457	59,708	253,413	70,062	66,600	143,460	1,052,700	144,870	58,709	203,579	1,256,279
Telephone	2,665	323	1,392	379	1,025	776	6,560	783	318	1,101	7,661
Travel	23,338	1,023	3,579	2,560	-	3,695	34,195	7,625	747	8,372	42,567
Sub-total	910,591	92,685	676,184	93,987	269,896	216,618	2,259,961	304,650	77,420	382,070	2,642,031
Depreciation	-	-	-	-	-	-	-	6,974	-	6,974	6,974
Interest	-	-	-	-	-	-	-	612	-	612	612
	$ 910,591	$ 92,685	$ 676,184	$ 93,987	$ 269,896	$ 216,618	$2,259,961	$ 312,236	$ 77,420	$ 389,656	$2,649,617

The accompanying notes are an integral part of these financial statements

CLEAN AIR COUNCIL
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended June 30, 2015

	PROGRAM ACTIVITIES						SUPPORTING ACTIVITIES			
	Outdoor Air Quality Education	Energy Education	Transportation Education	Global Warming Education	Other Expenses	Total Program Expenses	General & Administrative	Fundraising	Total Supporting Expenses	Total Expenses
Audit Fees	$ -	$ -	$ -	$ -	$	$ -	$ 7,850	$ -	$ 7,850	$ 7,850
Consulting fees	140,795	8,250	283,263	-	11,950	444,258	34,884	19,000	53,884	498,142
Employee benefits	36,533	7,947	16,025	6,395	8,325	75,225	10,402	4,223	14,625	89,850
Equipment rental	1,311	285	575	230	299	2,700	373	152	525	3,225
Insurance	4,778	1,039	2,096	836	1,089	9,838	1,360	552	1,912	11,750
Legal fees	13,968	-	-	-		13,968	4,085	-	4,085	18,053
Meals and lodging	14,465	56	1,402	1,447	1,730	19,100	15,049	199	15,248	34,348
Office	19,624	2,770	5,892	2,231	5,193	35,710	28,777	6,572	35,349	71,059
Office rent	25,263	5,496	11,081	4,422	5,757	52,019	7,193	2,920	10,113	62,132
Payroll taxes	31,373	6,825	13,761	5,492	7,149	64,600	8,933	3,627	12,560	77,160
Postage and mailing	4,791	1,019	2,045	784	1,064	9,703	1,275	613	1,888	11,591
Printing and design	14,048	1,992	5,622	1,603	10,436	33,701	2,608	1,059	3,667	37,368
Promotion	10,285	84	200,831	1,559	1,205	213,964	4,102	2	4,104	218,068
Salaries	408,996	88,974	179,400	71,591	93,203	842,164	116,451	47,278	163,729	1,005,893
Telephone	3,160	617	1,243	496	646	6,162	807	328	1,135	7,297
Travel	26,882	1,026	2,761	2,245	5,397	38,311	5,623	866	6,489	44,800
Sub-Total	756,272	126,380	725,997	99,331	153,443	1,861,423	249,772	87,391	337,163	2,198,586
Depreciation	-	-	-	-	-	-	6,355	-	6,355	6,355
Interest	-	-	-	-	-	-	1,474	-	1,474	1,474
Total	$ 756,272	$ 126,380	$ 725,997	$ 99,331	$ 153,443	$ 1,861,423	$ 257,601	$ 87,391	$ 344,992	$ 2,206,415

The accompanying notes are an integral part of these financial statements

CLEAN AIR COUNCIL
STATEMENTS OF CASH FLOWS
For the Years Ended June 30, 2016 and 2015

	2016	2015
Schedule of Reconciling Increases in Net Assets to Net Cash Flows from Operating Activities		
Increase (Decrease) in net assets	$ (805,963)	$ 495,106
Noncash expenses, revenues, losses and gains included in the increase (decrease) in net assets		
Depreciation	6,974	6,355
Unrealized gain on investments	(1,122)	2,626
Noncash contributions	(10,100)	(26,600)
Noncash expenses	10,100	26,600
Adjustments to reconcile increase (decrease) to net cash flows from operating activities		
(Increase) decrease in:		
Contracts receivable	(202,650)	(101,947)
Grant and other receivables	789,500	(617,068)
Prepaid expenses	(5,692)	(4,662)
Deposits	-	1,500
Increase (decrease) in:		
Accounts payable	6,458	123,586
Accrued expenses	(3,471)	3,471
Salaries and payroll taxes payable	4,915	6,435
Deferred revenue	-	(10,485)
Net cash used by operating activities	(211,051)	(95,083)
Cash Flow from Investing Activities:		
Purchase of investments	(5,920)	(2,965)
Net cash used in investing activities	(5,920)	(2,965)
Cash Flow from Financing Activities:		
Payments on capital lease obligation	(8,228)	(15,016)
Net cash used in financing activities	(8,228)	(15,016)
Net Decrease in Cash	(225,199)	(113,064)
Cash, Beginning of the Year	716,329	829,393
Cash, End of the Year	$ 491,130	$ 716,329
Supplemental Disclosure to Cash Flow Information:		
Cash Paid for Interest	$ 612	$ 1,474

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

1. Nature of Organization

Clean Air Council (the "Organization") formerly known as The Delaware Valley Citizens' Council for Clean Air, Inc., is a non-profit organization which was established under the laws of the Commonwealth of Pennsylvania in June, 1967. The Organization was formed to inform and educate the public concerning the health, economic and aesthetic effects of air pollution and the technological and legal tools available for its control. The Clean Air Council promotes understanding of the role of government, (national, state and local) in the control of air pollution, and to stimulate and support voluntary and official efforts to clean the air. The Organization has offices in Philadelphia and Harrisburg, Pennsylvania as well as Wilmington, Delaware.

2. Summary of Significant Accounting Policies

Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting and, accordingly, revenues are recognized when earned and expenses are recorded when incurred.

The Organization follows the recommendations of the Financial Accounting Standards Board in its Accounting Standard Codification (ASC) No. 958, Not-for-Profit Organizations, formerly Statement of Financial Accounting Standards (SFAS) No. 117, Financial Statements of Not-for-Profit Organizations. Under ASC No. 958, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Accordingly, net assets and changes therein are classified and reported as follows:

Unrestricted Net Assets – represent net assets that are not subject to statutory or donor-imposed stipulations.

Temporarily Restricted Net Assets – represent net assets subject to statutory or donor-imposed stipulations that will be met either by actions of the Organization or the passage of time.

Permanently Restricted Net Assets – represent net assets subject to donor-imposed stipulations that must be maintained permanently. The Organization does not have any permanently restricted net assets.

Cash and Cash Equivalents

Cash equivalents include cash on hand and in banks. The Organization also considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

Investments

The Organization carries investments in marketable securities at their readily determinable fair market values at year end in the statement of financial position. Dividend and interest are recognized as income when earned. Realized gains and losses on investments are recognized upon the disposition of the securities. Unrealized gains and losses are included in the changes in net assets in the accompanying statements or activities and changes in net assets.

Fair Value of Financial Instruments

The Organization's financial instruments consist of cash, short-term receivables and payables, and short-term note payable. The carrying value for all such instruments, considering the terms, approximates fair value at June 30, 2016 and 2015.

2. Summary of Significant Accounting Policies (continued)

Property and equipment - contributed

Donations of property and equipment are recorded as support at their estimated fair value. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. Absent donor stipulations regarding how long these donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Organization reclassifies temporarily restricted net assets to unrestricted net assets at that time.

Grants and Contributions

Contributions are generally available for unrestricted use in the related year received unless specifically restricted by the donor. Unconditional promises to give are recorded as received. Unconditional promises to give, due in the next year, are reflected as current promises to give and are recorded at their net realizable value. Unconditional promises to give, due in subsequent years, are reflected as long-term promise to give and are recorded at their net realizable value.

Grants and other contributions of cash and other assets are reported as temporarily restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restriction.

Noncash Contributions and Volunteer Services

Contributions of donated noncash assets are recorded at their fair values in the period received. Contributions of donated services that require specialized skills and would typically need to be purchased if not provided by donations, are recorded at fair values in the period received.

During the years ended June 30, 2016 and 2015, many individuals volunteered their time and performed a variety of tasks that assisted the Organization. These services either do not meet the criteria for recognition as volunteer services or the value of volunteer services meeting the requirement for recognition in the financial statements was not material and has not been recorded.

Impairment of Long-Lived Assets

The Organization assesses whether there has been impairment in the value of its long-lived assets whenever events or changes in circumstances indicate that carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount to the future net cash flows, undiscounted and without interest, expected to be generated by the asset. If such assets are considered to be impaired, the amount of impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. Assets to be disposed of are reported at the lower of the carrying amount or fair value, less costs to sell.

The Organization believed no impairment in the net carrying values of the investments in property and equipment has occurred for the period presented.

2. Summary of Significant Accounting Policies (continued)

Income Taxes

The Organization is a nonprofit organization and is classified as exempt from taxation under Section 501(c)(3) of the Internal Revenue Code. In addition, the Organization is exempt from Pennsylvania state income taxes.

Restricted and Unrestricted Revenue

Federal awards and contract revenues received are recorded as increases in unrestricted and temporarily restricted net assets, depending on the existence and/or nature of any funding restrictions.

Funding which is restricted is reported as increases in unrestricted net assets if the restrictions expire in the reporting period in which the revenue is recognized. All other funding is reported as increase in temporarily or permanently restricted net assets, depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities as net assets released from restrictions.

Functional Allocation of Expenses

The costs of providing the various programs and supporting services of the Organization have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited by those costs.

3. Property and Equipment

Property and equipment are carried at cost. Depreciation of property and equipment and amortization of leasehold improvements are on the straight-line and accelerated methods. Depreciation has been based on the estimated useful lives of the property and equipment.

Expenditures for maintenance and repairs are necessary to maintain property and equipment in efficient operating condition are charged to operations. Expenditures which increase the useful lives of the assets are capitalized.

Property and equipment and accumulated depreciation as of June 30, 2016 and 2015, are as follows:

	2016	2015
Office Equipment	$ 31,766	$ 54,668
Less: Accumulated Depreciation	19,361	35,289
Property and Equipment, Net	$ 12,405	$ 19,379

Depreciation expense for the year ended June 30, 2016 and 2015 was $6,974 and $6,355 respectively.

4. Capital Lease Obligation

The Organization maintains long-term debt in connection with the capital lease obligations for their copiers. Long-term debt relating to this lease consists of the following:

	2016	2015
Capital lease obligation for copiers. The assets and corresponding liability under the capital lease are recorded at the net present value of the lease amount. Monthly payments of $1,374, including imputed interest at 7.8% continue through December, 2016. The obligation is secured by the copiers.	$ 3,969	$ 12,197
Less: Current maturities	3,969	8,228
Long-term portion of capital lease obligation	$ -	$ 3,969

Following are maturities of the capital lease obligation for each of the remaining years in the lease:

Years Ending June 30,	
2017	$ 3,969

5. Fair Value Measurements

The fair value measurement accounting literature provides the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

Level 1 – Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities.

Level 2 – Quoted prices for instruments that are indentified or similar in markets that are not active and model-derived valuations for which all significant inputs are observable, either directly or indirectly in active markets.

Level 3 – Prices or valuations that require inputs that are both significant to the fair value measurement and unobservable.

The asset's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes to the methodologies used at June 30, 2016 or June 30, 2015.

Corporate stocks and commingled funds (equities and fixed income) – Valued at quoted market prices, which for commingled funds represents the net asset value of shares held by Clean Air Council year end.

5. Fair Value Measurements (continued)

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

6. Commitments

The Organization leases its Philadelphia office space with monthly rental payments of $4,506. There are increases periodically over the lease term, which expires on April 30, 2025. The Organization also leases space in Harrisburg with monthly payments of $250 and is currently leasing on a month-to-month basis. Additionally, the Organization has membership in a co-working space in Philadelphia, paying $100 a month for limited use of that location. This co-working space is renewed month-to-month. The Organization also leases space in Wilmington, Delaware and leased space in Erie, Pennsylvania for an annual fee. The Organization decides whether to renew for another year at the end of the term for these spaces. Wilmington's space cost $1,999 for all of 2015 and 2016. Erie's space began in February of 2015 and ended January, 2016, costing $3,600 in total. The Organization did not renew its lease in Erie. Lastly, the Organization maintains offsite storage for a monthly fee of $409, which is renewed month-to-month.

Office and storage rent expense for the years ended June 30, 2016 and 2015 was $65,643 and $65,974, respectively.

The following is a schedule of the future minimum lease payments under the leases:

Year Ending June 30,	
2017	54,342
2018	55,970
2019	57,648
2020	59,384
2021	61,168
2022 and thereafter	251,800
	$ 540,312

7. Non-Cash Contributions

The Organization received $10,100 and $26,600 worth of promotional, printing and other expense for the Organization's annual Run for Clean Air during the years ended June 30, 2016 and 2015.

8. Concentration of Credit Risk

As of June 30, 2016 and 2015, the Organization had deposits in financial institutions in excess of the amount insured by agencies of the federal government. The total excess amounted to $2,143 and $163,377 for the years end June 30, 2016 and 2015. The Organization has not experienced any losses in such accounts and believes that it is not exposed to any significant credit risk on cash.

9. Temporarily Restricted Net Assets

Temporarily restricted net assets are available for the following purposes:

	2016	2015
Outdoor Air Quality Education	$ 778,166	$1,417,083
Transportation Education	69,056	222,500
Energy Education	25,000	20,600
Global Warming Education	27,000	-
Total	$ 899,222	$1,660,183

10. Contract Revenue

The Organization received awards and contracts under the following programs for the years ended June 30, 2016 and 2015:

	2016	2015
Federal Awards:		
US Environmental Protection Agency	$ 39,708	$ 239,880
US Department of Transportation	25,342	20,000
Pennsylvania Department of Environmental Protection	10,639	27,131
Pennsylvania Department of Transportation	139,414	82,723
Total Federal Awards	215,103	369,734
Non-Federal Contracts	701,995	359,012
Total Contract Revenue	$ 917,098	$ 728,746

11. Profit Sharing Plan

The Organization maintains a 401(K) plan that covers all eligible employees. Employer contributions are discretionary and determined annually by management. During the years ended June 30, 2016 and 2015, the Organization provided matching contributions of up to 2% of each employee's contributions towards their 401(K) plans.

12. Subsequent Events

On July 20, 2016 the Organization was awarded a $26,895 contribution from PennFuture to offset legal fees incurred during the year ended June 30, 2016. This contribution will be recognized in the fiscal year ending June 30, 2017.

13. Date of Management's Review

In preparing the financial statements, the Organization has evaluated the events and transactions for potential recognition or disclosure through April 27, 2017, the date that the financial statements were available to be issued

SUPPLEMENTAL

INFORMATION

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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Board of Directors
Clean Air Council
Philadelphia, Pennsylvania

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Clean Air Council (a nonprofit organization), which comprise the statement of financial position as of June 30, 2016, and the related statements of activities, changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated April 27, 2016.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Clean Air Council's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Clean Air Council's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Clean Air Council's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Jebran & Abraham, P.C.
New Britain, Pennsylvania
April 27, 2017