

**AMERICAN ACADEMY
OF PEDIATRICS
FINANCIAL STATEMENTS AND
REPORT OF INDEPENDENT
CERTIFIED PUBLIC ACCOUNTANTS**

JUNE 30, 2014 AND 2013

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Report of Independent Certified Public Accountants

To the Board of Directors
American Academy of Pediatrics

Report on the Financial Statements

We have audited the accompanying financial statements of American Academy of Pediatrics (the “Academy”), which comprise the statements of financial position as of June 30, 2014 and 2013 and the related statements of activities, changes in net assets 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 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 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.

To the Board of Directors
American Academy of Pediatrics

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of American Academy of Pediatrics as of June 30, 2014 and 2013, and the changes in net assets and its cash flows for the years 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 September 19, 2014 on our consideration of American Academy of Pediatrics' 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 the 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 American Academy of Pediatrics' internal control over financial reporting and compliance.

Plante & Moran, PLLC

September 19, 2014

American Academy of Pediatrics
STATEMENTS OF FINANCIAL POSITION

ASSETS	<u>2014</u>	<u>2013</u>
Cash & cash equivalents	\$ 10,393,265	\$ 8,356,891
Receivables		
Publications and supplements, net of allowance of \$23,484 in 2014 and \$27,425 in 2013	1,371,081	1,737,845
Contracts and grants	3,252,285	2,597,662
Pledges receivable, net of allowance of \$5,000 in 2014 and \$61,075 in 2013	1,442,251	1,176,744
Royalties	994,393	1,116,880
Advertising	251,748	524,392
Other	1,223,172	995,165
Publication inventories, net of reserve for obsolescence of \$415,000 in 2014 and \$473,000 in 2013	1,383,466	1,658,330
Prepaid expenses	2,729,244	3,128,351
Investments	58,239,650	51,357,649
Property and equipment, net	<u>23,376,334</u>	<u>25,704,328</u>
TOTAL ASSETS	<u><u>\$ 104,656,889</u></u>	<u><u>\$ 98,354,237</u></u>
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable, trade	\$ 2,563,707	\$ 2,055,679
Chapter dues payable	719,844	585,204
Accrued expenses	3,276,817	3,044,206
Accrued salary & related expenses	9,080,378	8,286,682
Deferred revenues		
Membership dues	15,723,167	15,073,550
Pediatrics subscription fees	4,554,824	4,321,197
Pediatrics in Review subscriptions fees and Pediatrics Review and Education Program enrollment fees	4,257,263	4,144,676
Contracts and grants	4,341,607	4,427,391
Meetings	2,429,224	2,195,301
Other	1,975,544	2,718,066
Annuity payment liability	151,413	193,450
Capital lease obligations	<u>150,882</u>	<u>265,472</u>
TOTAL LIABILITIES	49,224,670	47,310,874
Net assets		
Unrestricted		
Board-designated		
Sections	2,956,043	2,707,915
Venture Capital	4,413,122	4,013,139
Neonatal Resuscitation Program	200,000	268,639
Friends of Children	2,985,702	2,588,280
Tomorrow's Children	885,115	831,953
Reserves	-	19,248,365
Undesignated	<u>37,221,421</u>	<u>15,325,551</u>
Total Unrestricted	48,661,403	44,983,842
Temporarily Restricted	4,231,920	3,725,218
Permanently Restricted	<u>2,538,896</u>	<u>2,334,303</u>
TOTAL NET ASSETS	<u><u>55,432,219</u></u>	<u><u>51,043,363</u></u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 104,656,889</u></u>	<u><u>\$ 98,354,237</u></u>

The accompanying notes are an integral part of these statements.

**American Academy of Pediatrics
STATEMENTS OF ACTIVITIES
Year ended June 30, 2014**

	Unrestricted 2014	Temporarily Restricted 2014	Permanently Restricted 2014	Total 2014
Revenue, Gains and Other Support:				
Membership Dues	\$ 24,034,530	\$ -	\$ -	\$ 24,034,530
NCE and FOP Conferences and Meetings	5,624,199	-	-	5,624,199
Contracts and grants	20,308,290	-	-	20,308,290
Advertising	5,038,135	-	-	5,038,135
Royalties	3,269,502	-	-	3,269,502
Manuals and Publications	13,248,075	-	-	13,248,075
Subscriptions	18,241,945	-	-	18,241,945
Continuing Education	7,277,991	-	-	7,277,991
Investment income	1,734,898	93,474	-	1,828,372
Contributions	1,356,155	7,614,071	204,593	9,174,819
Release from Restrictions	7,405,827	(7,405,827)	-	-
Other Income	1,904,203	-	-	1,904,203
Total revenue, gains and other support	109,443,750	301,718	204,593	109,950,061
Expenses:				
Program services:				
Meeting and Convention Services	5,363,201	-	-	5,363,201
Medical Journals and eLearning	14,023,795	-	-	14,023,795
Contracts and Grants	16,551,188	-	-	16,551,188
Education:				
Continuing Medical Education	4,364,186	-	-	4,364,186
Life Support	3,432,416	-	-	3,432,416
Public Education	413,204	-	-	413,204
Administration	1,248,640	-	-	1,248,640
Federal Affairs	3,420,422	-	-	3,420,422
State and Chapter Affairs	3,890,442	-	-	3,890,442
Membership Services	2,604,942	-	-	2,604,942
Marketing and Publications	8,812,367	-	-	8,812,367
Child Health & Wellness	5,308,378	-	-	5,308,378
Research	1,605,023	-	-	1,605,023
Pediatric Practice	4,151,817	-	-	4,151,817
Subspecialty Pediatrics	6,217,661	-	-	6,217,661
Supporting activities:				
Membership Services	1,376,986	-	-	1,376,986
Customer Service:				
Meeting and Convention Services	1,888,541	-	-	1,888,541
Marketing and Publications	1,570,078	-	-	1,570,078
Medical Journals and eLearning	930,335	-	-	930,335
Customer Service Center	1,601,078	-	-	1,601,078
Management and general:				
Executive Director, Board, PR, International and HR	9,761,250	-	-	9,761,250
Fundraising	1,816,616	-	-	1,816,616
Information Technology	5,960,337	-	-	5,960,337
Finance and Administrative Services	3,361,921	-	-	3,361,921
Total expenses	109,674,824	-	-	109,674,824
Change in net assets due to operations	(231,074)	301,718	204,593	275,237
Realized and Unrealized Gain	3,908,635	204,984	-	4,113,619
Change in net assets	3,677,561	506,702	204,593	4,388,856
Beginning Net Assets	44,983,842	3,725,218	2,334,303	51,043,363
Ending Net Assets	48,661,403	4,231,920	2,538,896	55,432,219

The accompanying notes are an integral part of these statements.

American Academy of Pediatrics
STATEMENTS OF ACTIVITIES
Year ended June 30, 2013

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
	2013	2013	2013	2013
Revenue, Gains and Other Support:				
Membership Dues	\$ 22,901,166	\$ -	\$ -	\$ 22,901,166
NCE and FOP Conferences and Meetings	5,180,220	-	-	5,180,220
Contracts and grants	17,303,016	-	-	17,303,016
Advertising	5,207,317	-	-	5,207,317
Royalties	3,018,392	-	-	3,018,392
Manuals and Publications	15,625,774	-	-	15,625,774
Subscriptions	17,940,137	-	-	17,940,137
Continuing Education	6,632,420	-	-	6,632,420
Investment income	1,984,448	107,263	-	2,091,711
Contributions	1,070,773	6,678,744	250,238	7,999,755
Release from Restrictions	6,611,373	(6,611,373)	-	-
Other Income	1,909,966	-	-	1,909,966
Total revenue, gains and other support	105,385,002	174,634	250,238	105,809,874
Expenses:				
Program services:				
Meeting and Convention Services	4,868,153	-	-	4,868,153
Medical Journals and eLearning	14,487,925	-	-	14,487,925
Contracts and Grants	14,339,168	-	-	14,339,168
Education:				
Continuing Medical Education	3,968,431	-	-	3,968,431
Life Support	3,125,429	-	-	3,125,429
Public Education	326,320	-	-	326,320
Administration	1,432,103	-	-	1,432,103
Federal Affairs	3,267,596	-	-	3,267,596
State and Chapter Affairs	3,840,890	-	-	3,840,890
Membership Services	1,480,951	-	-	1,480,951
Marketing and Publications	9,259,951	-	-	9,259,951
Child Health & Wellness	4,443,503	-	-	4,443,503
Research	1,609,658	-	-	1,609,658
Pediatric Practice	5,532,457	-	-	5,532,457
Subspecialty Pediatrics	5,078,066	-	-	5,078,066
Supporting activities:				
Membership Services	2,398,774	-	-	2,398,774
Customer Service:				
Meeting and Convention Services	1,739,071	-	-	1,739,071
Marketing and Publications	1,651,457	-	-	1,651,457
Medical Journals and eLearning	899,325	-	-	899,325
Customer Service Center	1,453,920	-	-	1,453,920
Management and general:				
Executive Director, Board, PR, International and HR	9,694,507	-	-	9,694,507
Fundraising	1,762,438	-	-	1,762,438
Information Technology	5,709,476	-	-	5,709,476
Finance and Administrative Services	3,065,783	-	-	3,065,783
Total expenses	105,435,352	-	-	105,435,352
Change in net assets due to operations	(50,350)	174,634	250,238	374,522
Realized and Unrealized Gain	4,108,887	148,372	-	4,257,259
Changes in net assets	4,058,537	323,006	250,238	4,631,781
Beginning Net Assets	40,925,305	3,402,212	2,084,065	46,411,582
Ending Net Assets	44,983,842	3,725,218	2,334,303	51,043,363

American Academy of Pediatrics
STATEMENT OF CHANGES IN NET ASSETS
Two years ended June 30, 2014

	Board Designated						Undesignated	Total Unrestricted	Temporarily Restricted	Permanently Restricted	Total
	Sections	Venture Capital	Neonatal Resuscitation Program	Friends of Children	Tomorrow's Children	Reserves					
Balance at June 30, 2012	<u>\$2,456,490</u>	<u>\$3,584,703</u>	<u>\$ 268,746</u>	<u>\$ 2,402,715</u>	<u>\$ 719,268</u>	<u>\$ 15,647,910</u>	<u>\$ 15,845,473</u>	<u>\$ 40,925,305</u>	<u>\$3,402,212</u>	<u>\$ 2,084,065</u>	<u>\$ 46,411,582</u>
Increase in net assets							4,058,537	4,058,537	323,006	250,238	4,631,781
Designations	<u>251,425</u>	<u>428,436</u>	<u>(107)</u>	<u>185,565</u>	<u>112,685</u>	<u>3,600,455</u>	<u>(4,578,459)</u>	-	-		-
Balance at June 30, 2013	<u>\$2,707,915</u>	<u>\$4,013,139</u>	<u>\$ 268,639</u>	<u>\$ 2,588,280</u>	<u>\$ 831,953</u>	<u>\$ 19,248,365</u>	<u>\$ 15,325,551</u>	<u>\$ 44,983,842</u>	<u>\$3,725,218</u>	<u>\$ 2,334,303</u>	<u>\$ 51,043,363</u>
Increase in net assets							3,677,561	3,677,561	506,702	204,593	4,388,856
Designations	<u>248,128</u>	<u>399,983</u>	<u>(68,639)</u>	<u>397,422</u>	<u>53,162</u>	<u>(19,248,365)</u>	<u>18,218,309</u>	-	-		-
Balance at June 30, 2014	<u>\$2,956,043</u>	<u>\$4,413,122</u>	<u>\$ 200,000</u>	<u>\$ 2,985,702</u>	<u>\$ 885,115</u>	<u>\$ -</u>	<u>\$ 37,221,421</u>	<u>\$ 48,661,403</u>	<u>\$4,231,920</u>	<u>\$ 2,538,896</u>	<u>\$ 55,432,219</u>

The accompanying notes are an integral part of these statements.

American Academy of Pediatrics
STATEMENTS OF CASH FLOWS
Years ended June 30, 2014 and 2013

	2014	2013
Cash flows from operating activities		
Change in net assets	\$ 4,388,856	\$ 4,631,781
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	3,610,649	3,366,402
Provision for bad debt expense	19,927	31,587
Loss on disposal of equipment	2,204	40,734
Net realized and unrealized gains on investments	(4,113,619)	(4,257,259)
Permanently restricted contributions	(204,593)	(250,238)
Change in assets and liabilities		
Receivables	(406,169)	1,523,260
Publication inventories	274,864	67,497
Prepaid expenses	399,107	(396,754)
Annuity payment liability	(42,037)	(389)
Accounts payable, trade	508,028	(242,390)
Accrued expenses	232,611	547,065
Accrued Salary and Related Expenses	793,696	(1,191,994)
Deferred revenues	401,448	700,014
Net cash provided by operating activities	5,864,972	4,569,316
Cash flows from investing activities		
Purchases of property and equipment	(1,266,909)	(1,458,117)
Proceeds from maturities and sales of investments	103,337,116	6,995,229
Purchases of investments	(106,105,497)	(7,864,915)
Net cash used in investing activities	(4,035,290)	(2,327,803)
Cash flows from financing activities		
Permanently restricted contributions	204,593	250,238
Cash received on behalf of chapters	4,426,642	4,109,620
Cash remitted to chapters	(4,292,002)	(4,191,811)
Principal payments on capital lease obligations	(132,541)	(118,006)
Net cash provided by financing activities	206,692	50,041
NET INCREASE IN CASH AND CASH EQUIVALENTS	2,036,374	2,291,554
Cash and cash equivalents at beginning of year	8,356,891	6,065,337
Cash and cash equivalents at end of year	\$ 10,393,265	\$ 8,356,891
Supplemental schedules of non-cash financing activities		
Capital lease obligations incurred for the acquisition of office equipment	\$ 17,949	\$ 280,646

The accompanying notes are an integral part of these statements.

NOTE A - NATURE OF BUSINESS AND SIGNIFICANT ACCOUNTING POLICIES

Nature of Business

The American Academy of Pediatrics (the Academy) is a professional organization whose purpose is the attainment of optimal physical, mental and social health for all infants, children and young adults through education, advocacy, research and service.

A summary of significant accounting policies follows.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (US GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the financial statements. Estimates also affect the reported amounts of revenues and expenses during the reporting period. Although estimates are considered to be fairly stated at the time the estimates are made, actual results could differ.

Cash and Cash Equivalents

Cash and cash equivalents include all highly liquid investments with maturities of three months or less when purchased. Substantially all of the Academy's cash, which exceeds federally insured limits, is deposited in one financial institution. The Academy has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on these accounts.

Receivables

Receivables are amounts due from members, donors, and customers, net of allowances for uncollectible amounts. The Academy determines its allowances by considering a number of factors, including the length of time accounts receivable are past due, the Academy's previous collection history, the member, donor, or customer's current ability to pay its obligation to the Academy, and the condition of the general economy as a whole. The Academy sets up an allowance for receivables when they become uncollectible, and payments subsequently received on such receivables are credited to the appropriate allowance for uncollectible amounts.

Prepaid Expenses

Costs incurred for meetings and educational programs to be held in subsequent fiscal years are deferred and expensed in the years to which they apply.

**NOTE A - NATURE OF BUSINESS AND SIGNIFICANT ACCOUNTING
POLICIES – Continued**

Investments

Investments are measured at fair value in the accompanying statements of financial position. Net realized gains or losses on sales of securities are based on first-in, first-out (FIFO) cost. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Management considers gains and losses on investments, both realized and unrealized, as nonoperating income or expense. These gains and losses are segregated from operating revenues and expenses on the statements of activities.

The Academy's investments are exposed to various risks, such as interest rates, credit and overall market volatility. Due to these risk factors, it is reasonably possible that changes in the value of investments could occur in the near future and materially affect the amounts reported in the financial statements.

Publication Inventories

Publication inventories consist of program manuals and publications primarily held for resale or use in educational programs. Inventories are recorded on the FIFO method at lower of cost or market.

Property and Equipment

Property and equipment are stated at cost, less accumulated depreciation computed on the straight-line method over the useful lives of the assets ranging from three to 50 years. Amortization on assets under capital lease is included with depreciation expense on owned assets. Amortization on these assets is computed over the life of the lease. Leasehold improvements are amortized over the shorter of the lease or the useful life of the improvements.

**NOTE A - NATURE OF BUSINESS AND SIGNIFICANT ACCOUNTING
POLICIES – Continued**

Fair Value of Financial Instruments

A summary of the methods and significant assumptions used to estimate the fair values of financial instruments is as follows:

Financial Instruments – The fair values of financial instruments, including cash equivalents, accounts receivable and accounts payable, approximate the carrying amounts in the accompanying consolidated financial statements due to the short maturity of such instruments.

Investments – Investments are recorded at fair value in the accompanying financial statements. Fair value is determined based on the fair value measurement principles described in Note D.

Revenue Recognition

An unconditional promise of a contribution (pledge or gift) from a donor is recognized at the time of receipt of the promise. Gifts of cash and other assets are presented as unrestricted support unless received with donor stipulations limiting the use of the donated assets. Contributions to be received after one year are initially recorded at fair value. Amortization of the discount is recorded as additional contribution revenue in accordance with donor-imposed restrictions, if any, on the contributions.

Membership dues are billed on anniversary dates. Billings are due upon receipt. These dues are recognized as revenue over the membership period.

Nonmember subscription fees for PEDIATRICS, the Academy's periodical, cover a 12-month period and are billed on their respective subscription anniversary dates. The fees are deferred and recognized as revenue over the subscription period.

Manuals and Publications revenues are recognized when the order is shipped.

Contracts and grants received are deferred until the related costs are incurred. To the extent reimbursable costs exceed cash received, a receivable is recorded from the grantor or contractor.

Meeting fees are recognized in the year in which they are earned.

**NOTE A - NATURE OF BUSINESS AND SIGNIFICANT ACCOUNTING
POLICIES – Continued**

Split-Interest Agreements

The Academy manages a number of charitable gift annuities for which the Academy has received contributions in exchange for a promise to pay fixed amounts for a specific period of time to the donor, individuals or organizations specified by the donor. The assets received by the Academy are included in its general investments and valued at fair value. The annuity payment liability is recorded at the present value of future cash flows.

Basis of Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting. The Academy maintains its books and records in accordance with the principles and practices of fund accounting. This is the procedure by which resources are classified into funds established according to their nature and purpose and on the existence of donor-imposed restrictions. Accordingly, net assets of the Academy are reported as follows:

Unrestricted - Those resources over which The Executive Board has discretionary control. These include any designated amounts the Board has set aside for a particular purpose. The Board has resolved that the Academy shall maintain certain operating fund balances as follows:

Sections Fund - Sections are subspecialty medical groups of the Academy. Certain amounts are designated to be used by various sections based on section dues collected and budgeted and actual expenditures.

Venture Capital Fund - This fund can only be used for programs that have the potential to generate income to the Academy. Program income replenishes amounts transferred from this fund. Additionally, after the Fund is replenished, 5% of program revenue is transferred to this fund annually.

Neonatal Resuscitation Program Fund - The contract, effective July 1, 2010, with American Heart Association (AHA) has designated \$200,000 for use by the Neonatal Resuscitation Program. The designated amount will remain \$200,000 until this program incurs a net loss in any given year, which would result in a reduction of the designated amount. The agreement that governs the program requires that 12.5% of net sales of manuals, publications and educational programming related to the Neonatal Resuscitation Program are paid to AHA in each year.

**NOTE A - NATURE OF BUSINESS AND SIGNIFICANT ACCOUNTING
POLICIES – Continued**

Friends of Children Fund - Represents amounts designated for Friends of Children Fund that have not yet been expended.

Tomorrow's Children Fund - Represents amounts designated as Tomorrow's Children Fund Endowment.

Reserves Fund - Reserve Funds are included in undesignated funds, beginning in 2014.

Temporarily Restricted Net Assets - Those resources subject to donor-imposed restrictions that will be satisfied either by the actions of the Academy or passage of time. When a donor restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities as net assets released from restriction. Temporarily restricted net assets consist of donor-imposed restrictions. Temporarily restricted net assets include the following categories: For the year ended June 30, 2014, time restrictions related to pledges receivable in the amount of \$1,181,217; purpose restrictions related to the endowment investments held in the amount of \$1,028,954; and amounts restricted for specific programs in the amount of \$2,021,749. For the year ended June 30, 2013, time restrictions related to pledges receivable in the amount of \$1,176,744; purpose restrictions related to the endowment investments of \$855,222; and amounts restricted for specific programs in the amount of \$1,693,252.

Permanently Restricted Net Assets - Those resources subject to donor-imposed restrictions that stipulate that the principal of these endowments be permanently invested by the Academy. The donors of these resources have permitted the Academy to use all of the income earned for unrestricted or temporarily restricted purposes.

Endowment

US GAAP addresses the net asset classification of donor-restricted endowment funds for organizations subject to an enacted version of the 2006 Uniform Prudent Management of Institutional Funds Act (UPMIFA). A key component of UPMIFA is a requirement to classify the portion of a donor-restricted endowment fund that is not classified as permanently restricted net assets as temporarily restricted net assets until appropriated for expenditure. In addition, US GAAP requires disclosure about an organization's donor-restricted and board-designated endowment funds. The objective of this disclosure is to provide information so that financial statement users can understand the net asset classification, net asset composition, changes in net asset compositions, spending policy and related investment policy pertaining to the Academy's endowment funds.

**NOTE A - NATURE OF BUSINESS AND SIGNIFICANT ACCOUNTING
 POLICIES – Continued**

Subsequent Events

The Academy has evaluated subsequent events through September 19, 2014, the date the financial statements were available to be issued.

NOTE B - PLEDGES RECEIVABLE

Pledges receivable as of June 30, 2014 and 2013 include the following:

	<u>2014</u>	<u>2013</u>
Pledges receivable due in		
Less than one year	\$1,131,453	\$1,130,713
One year to five years	318,100	101,496
Five years to ten years	<u>4,000</u>	<u>13,750</u>
	1,453,553	1,245,959
Less allowance	(5,000)	(61,075)
Less unamortized discount	<u>(6,302)</u>	<u>(8,140)</u>
Pledges receivable, net	<u>\$1,442,251</u>	<u>\$1,176,744</u>

Pledges receivable are discounted at rates ranging from .54% to 2% as of June 30, 2014 and 2013.

NOTE C – ACCOUNTS RECEIVABLE

Changes in the Academy’s allowance for uncollectible amounts for publications and supplements receivables are as follows for the years ended June 30:

	<u>2014</u>	<u>2013</u>
Beginning balance	\$27,425	\$42,629
Bad debt expense	19,927	31,587
Accounts written-off	<u>(23,868)</u>	<u>(46,791)</u>
Ending balance	<u>\$23,484</u>	<u>\$27,425</u>

NOTE D – FAIR VALUE MEASUREMENTS

Accounting standards require certain assets and liabilities be reported at fair value in the financial statements and provide a framework for establishing that fair value. The framework for determining fair value is based on a hierarchy that prioritizes the valuation techniques and inputs used to measure fair value.

The following tables present information about the Academy's assets and liabilities measured at fair value on a recurring basis at June 30, 2014 and 2013, and the valuation techniques used by the Academy to determine those fair values.

Fair values determined by Level 1 inputs use quoted prices in active markets for identical assets or liabilities that the Academy has the ability to access.

Fair values determined by Level 2 inputs use other inputs that are observable, either directly or indirectly. These Level 2 inputs include quoted prices for similar assets and liabilities in active markets, and other inputs such as interest rates and yield curves that are observable at commonly quoted intervals.

Level 3 inputs are unobservable inputs, including inputs that are available in situations where there is little, if any, market activity for the related asset. These Level 3 fair value measurements are based primarily on management's own estimates using pricing models, discounted cash flow methodologies, or similar techniques taking into account the characteristics of the asset. The Academy uses no Level 3 inputs.

In instances where inputs used to measure fair value fall into different levels of the fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The Academy's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset or liability.

American Academy of Pediatrics
NOTES TO FINANCIAL STATEMENTS
Years Ended June 30, 2014 and 2013

NOTE D - FAIR VALUE MEASUREMENTS – Continued

The following tables set forth by level, within the fair value hierarchy, the Academy’s financial assets and liabilities that were accounted for at fair value on a recurring basis as of June 30, 2014 and 2013. As required by US GAAP, assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. The Academy’s assessment of the significance of a particular input to the fair value measurement requires judgment and may affect their placement within the fair value hierarchy levels.

Description	Fair Values as of June 30, 2014	Recurring Fair Value Measurements as of Reporting Date Using:		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets				
Money Market Funds	\$ 452,112	\$ 452,112	\$ -	\$ -
Fixed Income Securities				
Corporate Bonds	10,807	-	10,807	-
Equity Securities				
U.S. Large-Cap Growth	8,364,512	8,364,512	-	-
U.S. Large-Cap Value	17,111,812	17,111,812	-	-
U.S. Small/Mid-Cap Growth	51,634	51,634	-	-
U.S. Small/Mid-Cap Value	7,687,435	7,687,435	-	-
Other Mutual Funds				
Fixed Income Mutual Funds	24,561,338	24,561,338	-	-
	<u>\$ 58,239,650</u>	<u>\$ 58,228,843</u>	<u>\$ 10,807</u>	<u>\$ -</u>

American Academy of Pediatrics
 NOTES TO FINANCIAL STATEMENTS
 Years Ended June 30, 2014 and 2013

NOTE D - FAIR VALUE MEASUREMENTS – Continued

Description	Fair Values as of June 30, 2013	Recurring Fair Value Measurements as of Reporting Date Using:		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets				
Money Market Funds	\$ 2,662,184	\$ 2,662,184	\$ -	\$ -
Fixed Income Securities				
Corporate Bonds	216,394	-	216,394	-
Equity Securities				
U.S. Large-Cap Growth	1,170,726	1,170,726	-	-
U.S. Large-Cap Value	3,249,023	3,249,023	-	-
U.S. Small/Mid-Cap Growth	2,374,195	2,374,195	-	-
U.S. Small/Mid-Cap Value	7,190,233	7,190,233	-	-
Real Estate	751,060	751,060	-	-
Preferred Securities	8,461,606	-	8,461,606	-
Other Mutual Funds				
Equity Mutual Funds	20,345,974	20,345,974	-	-
Fixed Income Mutual Funds	4,936,254	4,936,254	-	-
	<u>\$ 51,357,649</u>	<u>\$ 42,679,649</u>	<u>\$ 8,678,000</u>	<u>\$ -</u>

Level 1 Inputs

Fair values of the Academy's money market funds, equity securities and other mutual funds were based on quoted market prices.

Level 2 Inputs

For the year ended June 30, 2013, estimated fair values of the Academy's corporate bonds and preferred securities were based on similar investments that are traded on the secondary market.

At June 30, 2014, approximately 46 percent of the Academy's investments were held in two individual securities, BMO TCH Core Plus Bond Fund and BMO Pyrford International Stock Fund. There were no concentrations of investments as of June 30, 2013. The Academy does not believe it is exposed to any significant credit risk on investments.

NOTE E - PROPERTY AND EQUIPMENT

Property and equipment as of June 30, 2014 and 2013 consists of the following:

	<u>2014</u>	<u>2013</u>
Land and improvements	\$4,622,466	\$4,640,041
Building and improvements	20,590,071	20,438,771
Building equipment	396,111	401,088
Office equipment	18,333,213	17,983,314
Furniture and fixtures	3,372,240	5,385,610
Construction in progress	<u>1,025,263</u>	<u>523,650</u>
	48,339,364	49,372,474
Less accumulated depreciation	<u>(24,963,030)</u>	<u>(23,668,146)</u>
	<u>\$23,376,334</u>	<u>\$25,704,328</u>

NOTE F - AGENCY FUND

Chapter dues are billed and collected by the Academy on behalf of many of its chapters and subsequently remitted to the respective chapters. Cash includes chapter dues collected, but not yet remitted, of \$719,844 and \$585,204 as of June 30, 2014 and 2013, respectively.

NOTE G - ENDOWMENT

Endowment

The Academy's endowment consists of approximately 16 individual funds established for a variety of purposes. Its endowment includes both donor-restricted endowment funds and funds designated by the Board of Trustees to function as endowments. As required by US GAAP, net assets associated with endowment funds, including funds designated by the Board of Trustees to function as endowments, are classified and reported based on existences or absences of donor-imposed restrictions.

NOTE G - ENDOWMENT - Continued

Interpretation of Relevant Law

The Board of Directors of the Academy interpreted UPMIFA as requiring the preservation of the purchasing power of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Academy classifies as permanently restricted net assets (1) the original value of gifts donated to the permanent endowment and (2) the original value of subsequent gifts to the permanent endowment. The portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Academy. In accordance with UPMIFA, the Academy considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

1. The duration and preservation of the fund
2. The purposes of the donor-restricted endowment funds
3. General economic conditions
4. The expected total return from income and the appreciation of investments
5. Other resources of the Academy
6. The investment policies of the Academy

Return Objectives and Risk Parameters

The Academy has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs. Endowment assets include those assets of donor-restricted funds that the Academy must hold in perpetuity or for a donor-specified period(s) as well as board-designated funds. Under this policy, as approved by the Board of Directors, the endowment assets are invested in a manner that is intended to produce results that exceed the price and yield results of the S&P 500 index while assuming a moderate level of investment risk. The Academy expects its endowment funds, over time, to provide an average rate of return of approximately 6% annually. Actual returns in any given year may vary from this amount.

NOTE G - ENDOWMENT - Continued

Spending Policy and How the Investment Objectives Relate to Spending Policy

The Academy has a policy of appropriating for distribution each year no greater than 5% of its endowment fund's fair value over the prior four quarters through the calendar year-end preceding the fiscal year in which the distribution is planned. In establishing this policy, the Academy considered the long-term expected return on its endowment. Accordingly, over the long term, the Academy expects the current spending policy to allow its endowment to grow at an average of 1% annually. This is consistent with the Academy's objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term as well as to provide additional real growth through new gifts and investment return.

Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, the Academy relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Academy targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

Funds with Deficiencies

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires the Academy to retain as a fund of perpetual duration. As of June 30, 2014, there were no deficiencies and as of June 30, 2013 there was a \$773 deficiency in one of the new endowments.

American Academy of Pediatrics
NOTES TO FINANCIAL STATEMENTS
Years Ended June 30, 2014 and 2013

NOTE G - ENDOWMENT – Continued

Endowment net asset composition by type of fund as of June 30, 2014:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Board-designated endowment funds	\$ 885,115	\$ -	\$ -	\$ 885,115
Donor-restricted endowment funds	<u>-</u>	<u>1,028,954</u>	<u>2,538,896</u>	<u>3,567,850</u>
Total Funds	<u>\$ 885,115</u>	<u>\$ 1,028,954</u>	<u>\$ 2,538,896</u>	<u>\$ 4,452,965</u>

Changes in endowment net assets for the year ended June 30, 2014:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Endowment net assets, beginning of year	<u>\$ 831,953</u>	<u>\$ 855,222</u>	<u>\$ 2,334,303</u>	<u>\$ 4,021,478</u>
Investment return:				
Investment income	31,283	93,474	-	124,757
Net gain (realized and change in unrealized)	<u>58,960</u>	<u>204,984</u>	<u>-</u>	<u>263,944</u>
	<u>90,243</u>	<u>298,458</u>	<u>-</u>	<u>388,701</u>
Contributions	-	-	204,593	204,593
Appropriation of endowment assets for expenditure	(33,317)	(117,446)	-	(150,763)
Investment fees	<u>(3,764)</u>	<u>(7,280)</u>	<u>-</u>	<u>(11,044)</u>
Endowment net assets, end of year	<u>\$ 885,115</u>	<u>\$ 1,028,954</u>	<u>\$ 2,538,896</u>	<u>\$ 4,452,965</u>

American Academy of Pediatrics
NOTES TO FINANCIAL STATEMENTS
Years Ended June 30, 2014 and 2013

NOTE G - ENDOWMENT - Continued

Endowment net asset composition by type of fund as of June 30, 2013:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Board-designated endowment funds	\$ 831,953	\$ -	\$ -	\$ 831,953
Donor-restricted endowment funds	<u>-</u>	<u>855,222</u>	<u>2,334,303</u>	<u>3,189,525</u>
Total Funds	<u>\$ 831,953</u>	<u>\$ 855,222</u>	<u>\$ 2,334,303</u>	<u>\$ 4,021,478</u>

Changes in endowment net assets for the year ended June 30, 2013:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Endowment net assets, beginning of year	<u>\$ 719,271</u>	<u>\$ 706,918</u>	<u>\$ 2,084,065</u>	<u>\$ 3,510,254</u>
Investment return:				
Investment income	37,763	107,266	-	145,029
Net gain (realized and change in unrealized)	<u>50,461</u>	<u>148,372</u>	<u>-</u>	<u>198,833</u>
	<u>88,224</u>	<u>255,638</u>	<u>-</u>	<u>343,862</u>
Contributions	-	-	250,238	250,238
Transfers to create board designated endowments	45,541	-	-	45,541
Appropriation of endowment assets for expenditure	(16,256)	(98,323)	-	(114,579)
Investment fees	<u>(4,827)</u>	<u>(9,011)</u>	<u>-</u>	<u>(13,838)</u>
Endowment net assets, end of year	<u>\$ 831,953</u>	<u>\$ 855,222</u>	<u>\$ 2,334,303</u>	<u>\$ 4,021,478</u>

NOTE H - INCOME TAXES

The Academy is a not-for-profit Illinois corporation organized for scientific and educational purposes and has received a favorable determination letter from the Internal Revenue Service stating that it is exempt from income tax under Section 501(c)(3) of the Internal Revenue Code (IRC). The Academy has been classified as an organization that is not a private foundation, as defined in Section 509(a) of the IRC. As such, the Academy is only subject to taxation on its unrelated business income less related expenses under Section 512 of the IRC.

The Academy's unrelated business income results from advertising revenue and other non-member revenue. For the years ended June 30, 2014 and 2013, the Academy's unrelated business expenses exceeded unrelated business income. As a result, no provision for income taxes is necessary.

Management has analyzed the tax positions taken by the Academy and has concluded that as of June 30, 2014, there are no uncertain positions taken or expected to be taken that would require recognition of a liability or disclosure in the financial statements. The Academy is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. Management believes it is no longer subject to income tax examinations for years prior to 2011.

NOTE I - RETIREMENT PLAN

The Academy maintains a defined contribution retirement plan covering substantially all full-time employees. The plan contains a 401(k) provision that allows employees to make contributions to the plan on a pretax basis, subject to limitations established by the IRC. The Academy contributes an amount equal to the participant's contributions, up to 3% of the participant's compensation \$1 for \$1 and an additional \$.50 on the \$1 for the contributions from 3% to 6%. In addition, the Academy may make discretionary contributions to the plan up to an amount equal to 5% to 10% of the aggregate annual compensation of all employees, less any forfeitures of nonvested employees' accounts. The Academy made 7% discretionary contributions for the year ended June 30, 2014 and 7% for the year ended June 30, 2013 amounting to \$2,392,034 and \$2,276,710 in 2014 and 2013, respectively. Total Academy contributions were \$3,562,139 and \$3,453,828 for the years ended June 30, 2014 and 2013, respectively.

NOTE I - RETIREMENT PLAN - Continued

Effective July 1, 2008, the Academy adopted a 457(f) deferred compensation plan (the 457(f) Plan). The Executive Director shall have a fully vested, nonforfeitable interest in his deferred compensation if the Academy dissolves or if he (1) dies, (2) becomes disabled, or (3) is terminated from employment for reasons other than set forth in the employment agreement.

Effective October 1, 2008, the Academy adopted a 457(b) nonqualified deferred compensation plan. The Executive Director, Associate Executive Directors, Department Directors and employees in equivalent positions are eligible to defer compensation and receive employer discretionary contributions into the plan. All participant deferrals and employer credits are 100% vested immediately. Amounts under the 457(b) plan may only be distributed upon a qualifying distribution, which includes separation from service, death, disability or an unforeseeable emergency.

NOTE J - OPERATING LEASE

The Academy leases office space in Washington, D.C. under a noncancelable, renewable lease that expires in June 2023. Rent expense is recognized on a straight-line basis. In addition to monthly rental payments, the Academy must also pay its proportionate share of real estate taxes on the leased space. The total minimum rental commitments as of June 30, 2014 under this lease, excluding real estate taxes, are due as follows:

Years Ending June 30:

2015	\$ 590,227
2016	604,946
2017	620,115
2018	635,621
2019	660,902
Thereafter	<u>2,813,045</u>
Total	<u>\$5,924,856</u>

Rental expense amounted to \$909,227 and \$785,870 for the years ended June 30, 2014 and 2013, respectively.

NOTE K - CAPITAL LEASES

The Academy has leasehold interests on certain office equipment under agreements that expire at various dates through January 2017. The cost of the leased assets was \$458,447 and \$459,912, and accumulated amortization was \$245,594 and \$138,075 as of June 30, 2014 and 2013, respectively.

The following is a schedule of the future minimum lease payments under the capital leases, together with the present value of the net minimum lease payments as of June 30, 2014:

Years Ending June 30:

2015	\$ 124,850
2016	25,785
2017	<u>3,668</u>
Total minimum lease payments	154,303
Less amount representing interest	<u>(3,421)</u>
Total capital lease obligations	<u>\$ 150,882</u>

The Academy also has various maintenance contracts on certain of these capital leases that are expensed on a monthly basis.

SUPPLEMENTARY INFORMATION

Independent Auditor's Report on Additional Information

To the Board of Directors
American Academy of Pediatrics

We have audited the accompanying financial statements of American Academy of Pediatrics (the "Academy") as of and for the years ended June 30, 2014 and 2013 and have issued our report thereon dated September 19, 2014, which contained an unmodified opinion on those financial statements.

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information is presented for purposes of additional information and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Plante & Moran, PLLC

September 19, 2014

American Academy of Pediatrics
DEPARTMENTAL REVENUE AND EXPENSES BY TYPE
Year ended June 30, 2014

	Executive Director, Board, development public relations and human resources	Federal affairs	State and chapter affairs	Information technology	Finance	Membership	Marketing and publications	Public education	Education administration
Revenues									
Membership dues	\$ 32,880	\$ -	\$ 20,431	\$ -	\$ -	\$23,270,569	\$ -	\$ -	\$ -
Administrative income	-	-	-	-	-	-	-	-	-
NCE and FOP	-	-	-	-	-	-	-	-	-
Contracts and grants	-	-	-	-	-	-	-	-	-
Advertising	-	-	-	-	-	-	170,056	-	-
Royalties	28,613	-	-	-	-	676,709	473,590	1,473	-
Manuals and publications	-	-	-	-	-	1,464,793	5,383,375	851,836	61,676
Subscriptions	-	-	-	-	-	-	-	-	-
Continuing education	-	37,475	-	-	-	-	-	-	-
Contributions	1,602,449	-	-	-	7,558,034	617	(4,000)	-	-
Release from Restrictions	422,081	-	340,983	-	(7,431,864)	332,972	1,425,000	460,675	-
Net investment income	-	-	-	-	1,828,372	-	-	-	-
Other income	272,712	291,824	184,998	50	(809,368)	96,903	756,527	-	493,453
	<u>2,358,735</u>	<u>329,299</u>	<u>546,412</u>	<u>50</u>	<u>1,145,174</u>	<u>25,842,563</u>	<u>8,204,548</u>	<u>1,313,984</u>	<u>555,129</u>
Expenses									
Salaries	5,446,617	1,395,180	1,864,805	2,853,024	1,524,956	2,609,637	3,625,357	-	715,437
Temporary help	45,233	1,219	13,170	-	11,310	37,186	15,380	-	-
Fringe benefits	2,298,910	430,696	676,917	923,343	516,176	951,832	1,220,177	-	177,372
Travel and meetings	876,612	212,161	242,301	14,318	6,120	353,404	366,974	2,978	43,285
Meals	309,752	160,193	130,638	2,875	1,974	158,877	19,255	357	11,229
Printing	(139,728)	28,462	51,600	4,922	4,531	165,029	3,115,387	328,505	105,107
Postage and freight	44,249	13,013	8,078	15,853	13,048	178,436	716,057	56,453	1,296
Software	53,098	24,132	584	386,057	125,827	7,279	82,792	-	1,542
Audit and legal	62,370	-	9,324	-	108,576	3,250	17,749	-	8,431
Building and utilities	548,078	995,828	269,480	1,123,845	186,813	383,490	483,315	-	62,187
Supplies	155,983	74,508	18,545	25,860	3,479	9,690	12,929	151	3,466
Support of other organizations	390,799	-	-	-	-	-	-	-	-
Telephone	57,210	36,534	10,049	204,384	5,257	33,192	15,793	-	2,951
Commissions	-	-	-	-	-	-	15,633	-	-
Consultant and honoraria	1,182,052	45,040	240,326	405,856	12,060	343,360	379,610	20,012	116,200
Insurance	-	-	-	-	339,862	-	-	-	-
Miscellaneous	246,631	3,456	354,625	-	501,932	348,344	296,037	4,748	137
	<u>11,577,866</u>	<u>3,420,422</u>	<u>3,890,442</u>	<u>5,960,337</u>	<u>3,361,921</u>	<u>5,583,006</u>	<u>10,382,445</u>	<u>413,204</u>	<u>1,248,640</u>
	<u>\$ (9,219,131)</u>	<u>\$ (3,091,123)</u>	<u>\$ (3,344,030)</u>	<u>\$ (5,960,287)</u>	<u>\$ (2,216,747)</u>	<u>\$20,259,557</u>	<u>\$ (2,177,897)</u>	<u>\$ 900,780</u>	<u>\$ (693,511)</u>
Realized/Unrealized Gain	-	-	-	-	4,113,619	-	-	-	-
Net (Expense) Income	<u>\$ (9,219,131)</u>	<u>\$ (3,091,123)</u>	<u>\$ (3,344,030)</u>	<u>\$ (5,960,287)</u>	<u>\$ 1,896,872</u>	<u>\$20,259,557</u>	<u>\$ (2,177,897)</u>	<u>\$ 900,780</u>	<u>\$ (693,511)</u>

See report of independent certified public accountants regarding supplemental information.

American Academy of Pediatrics
DEPARTMENTAL REVENUE AND EXPENSES BY TYPE - CONTINUED
Year ended June 30, 2014

	Continuing medical education	Life support	e-Learning & Medical journals	Meeting and convention services	Child Health and Wellness	Research	Pediatric Practice	Subspecialty Pediatrics	Contracts and grants	Total
Revenues										
Membership dues	\$ -	\$ -	\$ -	\$ -	\$ 141,979	\$ -	\$ 68,261	\$ 500,410	\$ -	\$ 24,034,530
Administrative income	130,033	-	-	-	-	-	-	-	-	130,033
NCE and FOP	-	-	-	5,624,199	-	-	-	-	-	5,624,199
Contracts and grants	-	-	-	-	-	-	-	-	20,308,290	20,308,290
Advertising	-	-	4,614,764	253,315	-	-	-	-	-	5,038,135
Royalties	6,806	1,308,813	495,510	210,300	50	-	-	67,638	-	3,269,502
Manuals and publications	-	2,360,983	569,395	-	-	-	1,296,146	1,259,871	-	13,248,075
Subscriptions	-	-	18,236,455	-	-	-	5,490	-	-	18,241,945
Continuing education	3,575,993	3,337,433	248,210	-	37,030	-	41,850	-	-	7,277,991
Contributions	-	-	-	-	3,601	-	4,872	9,246	-	9,174,819
Release from Restrictions	65,762	236,362	754,737	545,000	1,007,666	-	46,141	1,794,485	-	-
Net investment income	-	-	-	-	-	-	-	-	-	1,828,372
Other income	20,464	(471,380)	108,707	345,791	287,075	-	43,260	153,154	-	1,774,170
	<u>3,799,058</u>	<u>6,772,211</u>	<u>25,027,778</u>	<u>6,978,605</u>	<u>1,477,401</u>	<u>-</u>	<u>1,506,020</u>	<u>3,784,804</u>	<u>20,308,290</u>	<u>109,950,061</u>
Expenses										
Salaries	1,042,958	962,313	3,416,054	1,239,947	2,346,500	807,330	1,852,681	2,388,462	-	34,091,258
Temporary help	5,238	24,724	49,859	12,792	1,638	708	-	45,973	-	264,430
Fringe benefits	365,518	313,474	1,243,175	436,948	972,805	298,194	721,327	767,902	-	12,314,766
Travel and meetings	797,479	290,119	402,476	2,996,776	527,610	45,595	285,411	1,155,349	-	8,618,968
Meals	1,376,085	70,132	84,065	1,110,569	155,592	10,118	113,215	484,028	-	4,198,954
Printing	324,298	262,755	4,009,257	423,688	73,904	12,452	378,621	497,131	-	9,645,921
Postage and freight	19,822	55,663	1,368,516	86,699	7,502	16,087	4,456	24,807	-	2,630,035
Software	5,884	1,158	22,359	5,101	875	1,868	36,172	563	-	755,291
Audit and legal	-	3,000	40,520	652	2,037	-	5,044	3,930	-	264,883
Building and utilities	155,629	156,116	507,866	242,318	549,324	217,657	260,325	247,540	-	6,389,811
Supplies	18,274	24,428	43,070	123,178	64,645	65,689	76,306	188,390	-	908,591
Support of other organizations	-	-	-	-	-	3,000	-	-	-	393,799
Telephone	6,399	12,534	16,627	126,860	29,535	6,863	25,787	20,927	-	610,902
Commissions	-	-	747,718	143,166	-	-	-	-	-	906,517
Consultant and honoraria	80,980	537,222	2,638,739	419,574	332,377	103,818	333,186	250,740	-	7,441,152
Insurance	-	-	-	30,451	-	-	-	-	-	370,313
Miscellaneous	165,622	718,778	363,829	(146,977)	244,034	15,644	59,286	141,919	-	3,318,045
Contracts and grants	-	-	-	-	-	-	-	-	16,551,188	16,551,188
	<u>4,364,186</u>	<u>3,432,416</u>	<u>14,954,130</u>	<u>7,251,742</u>	<u>5,308,378</u>	<u>1,605,023</u>	<u>4,151,817</u>	<u>6,217,661</u>	<u>16,551,188</u>	<u>109,674,824</u>
	<u>\$ (565,128)</u>	<u>\$ 3,339,795</u>	<u>\$ 10,073,648</u>	<u>\$ (273,137)</u>	<u>\$ (3,830,977)</u>	<u>\$ (1,605,023)</u>	<u>\$ (2,645,797)</u>	<u>\$ (2,432,857)</u>	<u>\$ 3,757,102</u>	<u>\$ 275,237</u>
Realized/Unrealized Gain	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,113,619</u>
Net (Expense) Income	<u>\$ (565,128)</u>	<u>\$ 3,339,795</u>	<u>\$ 10,073,648</u>	<u>\$ (273,137)</u>	<u>\$ (3,830,977)</u>	<u>\$ (1,605,023)</u>	<u>\$ (2,645,797)</u>	<u>\$ (2,432,857)</u>	<u>\$ 3,757,102</u>	<u>\$ 4,388,856</u>

See report of independent certified public accountants regarding supplemental information.

American Academy of Pediatrics
DEPARTMENTAL REVENUE AND EXPENSES BY TYPE
Year ended June 30, 2013

	Executive Director, Board, development public relations and human resources	Federal affairs	State and chapter affairs	Information technology	Finance	Membership	Marketing and publications	Public education	Education administration
Revenues									
Membership dues	\$ 32,731	\$ -	\$ 21,455	\$ -	\$ -	\$22,150,837	\$ -	\$ -	\$ -
Administrative income	-	-	-	-	-	-	-	-	-
NCE and FOP	-	-	-	-	-	-	-	-	-
Contracts and grants	-	-	-	-	-	-	-	-	-
Advertising	-	-	-	-	-	-	124,127	-	-
Royalties	21,083	-	-	-	-	467,633	310,411	-	-
Manuals and publications	-	-	-	-	-	1,133,585	6,188,174	995,812	63,145
Subscriptions	-	-	-	-	-	-	-	-	-
Continuing education	-	51,200	-	-	-	-	-	-	-
Contributions	1,271,199	-	-	-	6,711,141	21,976	-	-	-
Release from Restrictions	361,874	-	249,472	-	(6,618,489)	250,859	2,078,833	225,000	-
Net investment income	-	-	-	-	2,091,711	-	-	-	-
Other income	177,766	233,513	175,782	250	(675,158)	137,087	747,424	-	625,899
	<u>1,864,653</u>	<u>284,713</u>	<u>446,709</u>	<u>250</u>	<u>1,509,205</u>	<u>24,161,977</u>	<u>9,448,969</u>	<u>1,220,812</u>	<u>689,044</u>
Expenses									
Salaries	5,249,538	1,456,006	1,814,395	2,318,951	1,528,795	2,460,561	3,383,178	-	733,007
Temporary help	29,737	2,259	17,560	449,686	-	43,619	7,949	-	8,098
Fringe benefits	2,197,143	452,774	656,591	711,749	551,664	926,058	1,176,070	-	213,401
Travel and meetings	918,893	164,576	252,358	24,029	10,433	345,046	374,559	-	60,278
Meals	348,864	128,778	110,225	2,774	2,497	114,671	19,348	-	29,337
Printing	(112,292)	26,522	53,886	6,336	2,410	245,682	3,395,707	313,040	197,701
Postage and freight	43,992	11,198	8,491	14,700	11,659	148,770	770,651	2,585	1,598
Software	56,432	21,168	752	509,061	118,596	5,506	29,272	-	1,657
Audit and legal	27,951	-	22,486	-	105,224	6,130	2,914	-	-
Building and utilities	469,191	857,433	250,173	1,116,041	180,375	370,256	466,382	-	60,042
Supplies	164,359	90,020	20,358	15,175	5,281	10,693	9,616	-	4,813
Support of other organizations	335,023	-	-	-	-	-	-	-	-
Telephone	58,006	35,157	18,979	153,727	4,562	38,012	14,546	-	3,406
Commissions	-	-	-	-	-	-	7,430	-	-
Consultant and honoraria	1,122,442	20,825	270,468	387,247	28,755	280,773	908,207	-	118,160
Tax	-	-	-	-	-	-	-	-	-
Insurance	336,671	-	-	-	-	-	-	-	-
Miscellaneous	210,995	880	344,168	-	515,532	337,868	345,579	10,695	605
	<u>11,456,945</u>	<u>3,267,596</u>	<u>3,840,890</u>	<u>5,709,476</u>	<u>3,065,783</u>	<u>5,333,645</u>	<u>10,911,408</u>	<u>326,320</u>	<u>1,432,103</u>
	<u>\$ (9,592,292)</u>	<u>\$ (2,982,883)</u>	<u>\$ (3,394,181)</u>	<u>\$ (5,709,226)</u>	<u>\$ (1,556,578)</u>	<u>\$18,828,332</u>	<u>\$ (1,462,439)</u>	<u>\$ 894,492</u>	<u>\$ (743,059)</u>
Realized/Unrealized Gain	-	-	-	-	4,257,259	-	-	-	-
Net (Expense) Income	<u>\$ (9,592,292)</u>	<u>\$ (2,982,883)</u>	<u>\$ (3,394,181)</u>	<u>\$ (5,709,226)</u>	<u>\$ 2,700,681</u>	<u>\$18,828,332</u>	<u>\$ (1,462,439)</u>	<u>\$ 894,492</u>	<u>\$ (743,059)</u>

See report of independent certified public accountants regarding supplemental information.

American Academy of Pediatrics
DEPARTMENTAL REVENUE AND EXPENSES BY TYPE - CONTINUED
Year ended June 30, 2013

	Continuing medical education	Life support	e-Learning & Medical journals	Meeting and convention services	Child Health and Wellness	Research	Pediatric Practice	Subspecialty Pediatrics	Contracts and grants	Total
Revenues										
Membership dues	\$ -	\$ -	\$ -	\$ -	\$ 141,349	\$ -	\$ 76,395	\$ 478,399	\$ -	\$ 22,901,166
Administrative income	48,879	-	-	-	-	-	-	-	-	48,879
NCE and FOP	-	-	-	5,180,220	-	-	-	-	-	5,180,220
Contracts and grants	-	-	-	-	-	-	-	-	17,303,016	17,303,016
Advertising	-	-	4,862,688	220,502	-	-	-	-	-	5,207,317
Royalties	4,939	1,374,145	514,935	239,644	-	-	881	84,721	-	3,018,392
Manuals and publications	-	2,952,291	878,373	-	-	-	1,265,406	2,148,988	-	15,625,774
Subscriptions	-	-	17,940,137	-	-	-	-	-	-	17,940,137
Continuing education	3,608,197	2,560,159	236,150	-	22,454	-	37,800	116,460	-	6,632,420
Contributions	-	5,750	17,000	150	2,868	-	6,575	(36,904)	-	7,999,755
Release from Restrictions	35,539	87,518	929,638	658,500	574,194	-	171,846	995,216	-	-
Net investment income	-	-	-	-	-	-	-	-	-	2,091,711
Other income	24,099	(588,117)	98,100	645,458	156,055	370	33,087	69,472	-	1,861,087
	<u>3,721,653</u>	<u>6,391,746</u>	<u>25,477,021</u>	<u>6,944,474</u>	<u>896,920</u>	<u>370</u>	<u>1,591,990</u>	<u>3,856,352</u>	<u>17,303,016</u>	<u>105,809,874</u>
Expenses										
Salaries	1,007,194	883,736	3,237,843	1,152,880	2,115,293	793,231	2,167,166	1,889,650	-	32,191,424
Temporary help	21,877	36,597	40,865	37,085	5,164	7,834	-	11,297	-	719,627
Fringe benefits	359,127	306,649	1,144,602	411,443	833,157	319,150	793,450	527,412	-	11,580,440
Travel and meetings	678,344	200,040	403,919	2,942,635	375,409	58,749	335,699	1,096,074	-	8,241,041
Meals	1,194,451	73,722	80,084	1,004,245	111,866	14,631	152,801	475,331	-	3,863,625
Printing	314,334	323,663	4,117,753	276,497	43,547	17,104	470,069	374,449	-	10,066,408
Postage and freight	23,878	59,780	1,326,036	65,858	12,843	23,687	7,666	15,522	-	2,548,914
Software	391	2,228	137,578	1,682	573	4,927	14,263	445	-	904,531
Audit and legal	-	12,830	32,732	3,489	1,469	-	7,374	2,308	-	224,907
Building and utilities	150,583	144,137	480,332	236,737	490,339	220,152	260,180	220,152	-	5,972,505
Supplies	21,955	21,675	71,522	88,905	86,269	55,713	64,318	86,827	-	817,499
Support of other organizations	-	-	-	-	-	3,000	-	-	-	338,023
Telephone	8,076	11,903	17,714	114,827	24,478	5,614	31,257	15,734	-	555,998
Commissions	-	-	750,703	117,787	-	-	-	-	-	875,920
Consultant and honoraria	87,580	185,737	3,230,784	99,390	161,604	15,664	1,141,127	236,206	-	8,294,969
Tax	-	-	-	-	-	-	-	-	-	-
Insurance	10,491	-	-	35,676	-	-	-	-	-	382,838
Miscellaneous	90,150	862,732	314,783	18,088	181,492	70,202	87,087	126,659	-	3,517,515
Contracts and grants	-	-	-	-	-	-	-	-	14,339,168	14,339,168
	<u>3,968,431</u>	<u>3,125,429</u>	<u>15,387,250</u>	<u>6,607,224</u>	<u>4,443,503</u>	<u>1,609,658</u>	<u>5,532,457</u>	<u>5,078,066</u>	<u>14,339,168</u>	<u>105,435,352</u>
	<u>\$ (246,778)</u>	<u>\$ 3,266,317</u>	<u>\$ 10,089,771</u>	<u>\$ 337,250</u>	<u>\$ (3,546,583)</u>	<u>\$ (1,609,288)</u>	<u>\$ (3,940,467)</u>	<u>\$ (1,221,714)</u>	<u>\$ 2,963,848</u>	<u>\$ 374,522</u>
Realized/Unrealized Gain	-	-	-	-	-	-	-	-	-	4,257,259
Net (Expense) Income	<u>\$ (246,778)</u>	<u>\$ 3,266,317</u>	<u>\$ 10,089,771</u>	<u>\$ 337,250</u>	<u>\$ (3,546,583)</u>	<u>\$ (1,609,288)</u>	<u>\$ (3,940,467)</u>	<u>\$ (1,221,714)</u>	<u>\$ 2,963,848</u>	<u>\$ 4,631,781</u>

See report of independent certified public accountants regarding supplemental information.

American Academy of Pediatrics
CONTRACTS AND GRANTS INFORMATION
Year ended June 30, 2014

	Over (under) expended balance June 30, 2013	Contracts and grants received	Revenue recognized	Over (under) expended balance June 30, 2014
Nongovernmental:				
<u>Office of the Executive Director</u>				
FAMRI - Admin Core	\$ (699,084)	\$ (527,218)	\$ 488,659	\$ (737,643)
FAMRI - Measurement	(92,031)	(66,215)	17,170	(141,076)
FAMRI - Datasets	(103,261)	(313,221)	294,556	(121,926)
FAMRI - Building the Field	(275,907)	(337,512)	274,381	(339,038)
FAMRI - Nanotechnology	54,788	(190,852)	186,144	50,080
FAMRI - CSCNA	(23,788)	(59,358)	45,431	(37,715)
FAMRI - VEST	(16,622)	(138,294)	140,496	(14,420)
FAMRI - RISSK	(23,082)	(60,097)	54,420	(28,759)
FAMRI - ECIG	10,850	(43,233)	28,393	(3,990)
Exposure to Tobacco- RCE	31,835	(31,835)	-	-
Eliminating Children's Exposure to Tobacco (Legacy)	-	(180,513)	139,252	(41,261)
Asking the Right Questions? Clinicians and Tobacco Cessation in the Clinical Encounter	(192,450)	-	67,365	(125,085)
Subtotal Office of the Executive Director	(1,328,752)	(1,948,348)	1,736,267	(1,540,833)
<u>International Office</u>				
Vaccine Awareness - UNF	(28,016)	-	28,016	-
Vaccine Awareness - UNF	(89,171)	-	89,171	-
Vaccine Awareness - UNF	-	(125,000)	60,762	(64,238)
Immunization Advocacy	(164,185)	(501,797)	339,096	(326,886)
Immunization Advocacy	-	(318,050)	39,824	(278,226)
Immunization Advocacy	-	(50,000)	17,882	(32,118)
Immunization Advocacy	-	(35,000)	1,803	(33,197)
Subtotal International Office	(281,372)	(1,029,847)	576,554	(734,665)
<u>Department of Federal Affairs</u>				
Food Safety & Health Issues	66,626	(145,075)	121,277	42,828
Subtotal Department of Federal Affairs	66,626	(145,075)	121,277	42,828
<u>Department of Community, Chapter and State Affairs</u>				
CATCH Planning Grants	(102,404)	-	47,716	(54,688)
CATCH Program (A)	(130,833)	-	65,145	(65,688)
Milk PEP	(7,945)	-	7,945	-
CATCH Implementation grants	(4,222)	-	4,222	-
Chapter Maintenance of Certification Network	(2,861)	-	-	(2,861)
CATCH Program (B)	(117,166)	(796)	56,679	(61,283)
CATCH Grant Awards	(84,496)	-	34,777	(49,719)
CATCH Grant Awards 2011-2013	(157,584)	-	90,535	(67,049)
CATCH Programs Pfizer 2012 - 2014	(317,705)	-	220,140	(97,565)
CATCH Programs Pfizer 2013 - 2015	-	(150,000)	53,354	(96,646)
CATCH Programs Pfizer 2014 - 2016	-	(20,000)	-	(20,000)
Transforming Pediatric Residency Training	(41,755)	-	41,755	-
Children's Dental Campaign II	18,315	(25,000)	6,685	-
CATCH Program (C)	(59,362)	-	40,142	(19,220)
Healthy Active Living Obesity Prevention	(292,194)	268,393	23,801	-
Healthy Active Living Obesity Prevention	-	(268,393)	105,720	(162,673)
Teen Safe Driving Program	(22,819)	(137,000)	159,647	(172)
Accelerating Improved Care for Children with Asthma Program	(535,132)	(116,929)	496,119	(155,942)
Subtotal Department of Community, Chapter and State Affairs	(1,858,163)	(449,725)	1,454,382	(853,506)
<u>Department of Communications</u>				
Protect Tomorrow II	(391,388)	388,408	2,980	-
Vaccine Advocacy Campaign	-	(388,408)	133,030	(255,378)
Subtotal Department of Communications	(391,388)	-	136,010	(255,378)
<u>Department of Membership</u>				
Bruton Lectureship	(11,344)	(321)	-	(11,665)
Subtotal Department of Membership	(11,344)	(321)	-	(11,665)

See report of independent certified public accountants regarding supplemental information.

American Academy of Pediatrics
CONTRACTS AND GRANTS INFORMATION
Year ended June 30, 2014

	Over (under) expended balance June 30, 2013	Contracts and grants received	Revenue recognized	Over (under) expended balance June 30, 2014
Nongovernmental - Continued				
<u>Department of Education</u>				
NeoReviews/PIR On-Line	\$ (68,334)	\$ -	\$ 68,334	\$ -
Pediatric Leadership Alliance	(2,957)	-	2,957	-
HBB Newborn Resuscitation - Africa	-	(6,584)	6,584	-
eQIPP - Growth Hormon Module	(12,312)	-	27,282	14,970
Helping Babies Breathe	-	(600,000)	40,942	(559,058)
EQIPP: Judicious Use of Antibiotics	-	(149,700)	25,708	(123,992)
Subtotal Department of Education	(83,603)	(756,284)	171,807	(668,080)
Medical Home Program (Private)	(184,583)	-	19,257	(165,326)
D-PIP Qualitative Interviews	(4,304)	-	-	(4,304)
Obesity Funding - Beyond the Toolkit	(39,429)	-	39,429	-
Connected Kids	(6,090)	(3,449)	9,539	-
St. Christopher's Foundation for Children	(14,191)	(15,000)	15,407	(13,784)
Medical Home Chapter Champions Program on Asthma, Allergy and Anaphylaxis	-	(100,000)	6,935	(93,065)
Subtotal Department of Community & Specialty Pediatrics	(248,597)	(118,449)	90,567	(276,479)
<u>Department of Research</u>				
Secondary Sexual Characteristic in Boys - Pfizer	(7,225)	-	4,194	(3,031)
Subtotal Department of Research	(7,225)	-	4,194	(3,031)
<u>Department of Practice</u>				
Children's Dental Campaign II - supplement	(42,853)	(113,377)	177,546	21,316
Oral Health Training	-	(6,862)	3,806	(3,056)
Comparison of Immunization QI Dissemination Strategies	-	(40,590)	40,590	-
Inter-Professional Study of Oral Health Promotion in Primary Care	-	(31,500)	31,500	-
Subtotal Department of Practice	(42,853)	(192,329)	253,442	18,260
<u>Department of Subspecialty Pediatrics</u>				
Brett Ratner Memorial	(8,848)	(251)	-	(9,099)
Helping Babies Survive Program	(69,032)	-	55,428	(13,604)
Subtotal Department of Subspecialty Pediatrics	(77,880)	(251)	55,428	(22,703)
TOTAL NON-GOVERNMENTAL	\$ (4,264,551)	\$ (4,640,629)	\$ 4,599,928	\$ (4,305,252)
GOVERNMENTAL:				
<u>Office of the Executive Director</u>				
Adolescent Smoking Cessation in Pediatric Primary Care	\$ -	\$ (271,634)	\$ 271,634	\$ -
Changing Pediatric Office Systems Nationally to Address Parental Tobacco Use	-	(198,739)	198,739	-
Using Health Outcomes in Establishing the Effectiveness of Clinical Preventative Services	-	(1,475)	1,475	-
Providing Technical Assistance for Effective Tobacco Cessation Policies	-	(22,833)	21,753	(1,080)
Subtotal Office of the Executive Director	-	(494,681)	493,601	(1,080)
<u>Department of Community, Chapter & State Affairs</u>				
Healthy Tomorrow's Partnership	-	(58,782)	58,782	-
Medical Home - Healthy Tomorrow's Partnership	-	(127,285)	127,285	-
Subtotal Department of Community, Chapter & State Affairs	-	(186,067)	186,067	-
<u>Office of International Affairs</u>				
Survive and Thrive GDP	-	(140,847)	140,847	-
Survive and Thrive GDP - Jhpiego Burma	-	(70,000)	70,000	-
Pediatric Disaster Course Program - Honduras	-	(19,317)	19,317	-
Subtotal Office of International Affairs	-	(230,164)	230,164	-
<u>Department of Education</u>				
MCHIP - Helping Babies Breathe	-	(101,897)	101,897	-
Subtotal Department of Education	-	(101,897)	101,897	-

See report of independent certified public accountants regarding supplemental information.

American Academy of Pediatrics
CONTRACTS AND GRANTS INFORMATION
Year ended June 30, 2014

	Over (under) expended balance June 30, 2013	Contracts and grants received	Revenue recognized	Over (under) expended balance June 30, 2014
GOVERNMENTAL - Continued				
<u><i>Department of Community & Speciality Pediatrics</i></u>				
Healthy Child Care Partnership	\$ -	\$ (346,772)	\$ 346,772	\$ -
Bright Futures Pediatric Implementation	-	(1,111,582)	1,111,582	-
Bright Futures - Young Investigators Award Supplement	-	(134,037)	134,037	-
Bright Futures - Early Childhood System	-	(168,633)	168,633	-
National Center for CSHCN	-	(9,510)	9,510	-
Early Hearing Diagnosis & Intervention	-	(2,613)	2,613	-
Program to Enhance Health & Development of Intants and Children	-	(592,699)	592,699	-
Program to Enhance Health & Development of Intants and Children - Disaster Preparedness	-	(178,382)	178,382	-
Medicaid and Children's Health Insurance Programs: Children's Health Insurance Program Reauthorization Act: Sect 401(D)	(120,760)	(214,925)	311,411	(24,274)
Medicaid and Children's Health Insurance Programs: Children's Health Insurance Program Reauthorization Act: Sect 401(D)	-	(121,816)	124,633	2,817
Genetics in Primary Care	-	(579,732)	579,732	-
Priority 7 - School Health Services (SHS)	-	(275,916)	275,916	-
National Center on Health	-	(2,126,230)	2,126,230	-
National Center on Health	-	(2,477,981)	2,477,981	-
Public Health Conference for Birth Defects and Developmental Disabilities	-	(21,376)	21,376	-
OVC Action Partnerships for National Membership	(3,349)	(140,556)	143,905	-
Adolescent Reproductive Sexual Health	-	(116,126)	117,037	911
Medical Countermeasures Guideline Development	-	(64,675)	64,675	-
Collaborative Regional Networks Survey	-	(22,500)	14,190	(8,310)
Medical Home Capacity Building for CSHCN	-	(606,583)	606,583	-
Medical Home - EHDI	-	(112,738)	112,738	-
Subtotal Department of Committees & Sections	(124,109)	(9,425,382)	9,520,635	(28,856)
<u><i>Department of Research</i></u>				
MCH Research Network Program	-	(365,616)	365,616	-
Body Mass Index 2	-	(88,724)	88,724	-
Addressing Parental Smoking by Changing Pediatric Office Systems	30	-	-	30
Adolescent Smoking Cessation in Pediatric Primary Care	-	(149,532)	149,532	-
ARRA - MCH Pediatric Research Network Program	-	(821,788)	821,788	-
Mount Sinai Collaboration for Advancing Pediatric Quality Measures	-	-	-	-
Primary Care Drug Therapeutics CER in a Pediatric EHR Network	-	(1,041,170)	1,041,170	-
National Center for Pediatric Practice Based Research & Learning	-	(143,764)	143,764	-
Informing Policy to Implement Pediatric Family Engagement in Meaningful Use Stage 3	-	(99,140)	97,473	(1,667)
Subtotal Department of Research	30	(2,709,734)	2,708,067	(1,637)
<u><i>Department of Practice</i></u>				
Childhood Immunization Support Program	-	(191,334)	191,334	-
IHS CONACH Activities	(38,761)	-	33,979	(4,782)
Alliance for Information on Maternal and Child Health Program	-	(156,154)	156,154	-
CHIPRA Pediatric Healthcare Quality Measures in Program Centers of Excellence	-	(236,443)	236,443	-
CHIPRA Pediatric Healthcare Quality Measures in Program Centers of Excellence	-	(114,853)	114,853	-
Increasing Adolescent Immunization Rates through Pediatric Partnerships	-	(185,244)	185,244	-
Asthma Mobile App Development, Dissemination and Evaluation	-	(95,520)	95,520	-
Building Capacity of the PHS to Improve Population Health through National, Nonprofit Organizations	-	(86,586)	86,586	-
Capacity Building Assistance for Strong Provider Recommendation for HPV	-	(1,082,143)	1,082,143	-
National Center for Health Insurance and Financing for CYSHCN	-	(28,880)	28,880	-
Subtotal Department of Practice	(38,761)	(2,177,157)	2,211,136	(4,782)
<u><i>Department of Subspecialty Pediatrics</i></u>				
Coordinating Center for Access to Services for Children and Youths with Epilepsy	-	(256,795)	256,795	-
Subtotal Department of Subspecialty Pediatrics	-	(256,795)	256,795	-
TOTAL GOVERNMENTAL	\$ (162,840)	\$ (15,581,877)	\$ 15,708,362	\$ (36,355)
TOTAL CONTRACT & GRANTS	\$ (4,427,391)	(20,222,506)	20,308,290	(4,341,607)

See report of independent certified public accountants regarding supplemental information.

American Academy of Pediatrics
CONTRACTS AND GRANTS INFORMATION
Year ended June 30, 2013

	Over (under) expended balance June 30, 2012	Contracts and grants received	Revenue recognized	Over (under) expended balance June 30, 2013
Nongovernmental:				
<u>Office of the Executive Director</u>				
FAMRI - Admin Core	\$ (784,577)	\$ (348,144)	\$ 433,637	\$ (699,084)
FAMRI - Measurement	(49,175)	(81,128)	38,272	(92,031)
FAMRI - Datasets	(75,193)	(304,595)	276,527	(103,261)
FAMRI - Building the Field	(149,271)	(394,085)	267,449	(275,907)
FAMRI - Nanotechnology	(22,539)	(239,071)	316,398	54,788
FAMRI - CSCNA	(34,390)	(117,630)	128,232	(23,788)
FAMRI - VEST	(28,064)	(157,509)	168,951	(16,622)
FAMRI - RISSK	(49,327)	(93,838)	120,083	(23,082)
FAMRI - ECIG	-	-	10,850	10,850
Exposure to Tobacco- RCE	-	(216,048)	247,883	31,835
Asking the Right Questions? Clinicians and Tobacco Cessation in the Clinical Encounter	-	(199,994)	7,544	(192,450)
Subtotal Office of the Executive Director	(1,192,536)	(2,152,042)	2,015,826	(1,328,752)
<u>International Office</u>				
Vaccine Awareness - UNF	(181,080)	-	153,064	(28,016)
Vaccine Awareness - UNF	-	(150,000)	60,829	(89,171)
Immunization Advocacy	(170,444)	(461,774)	468,033	(164,185)
Subtotal International Office	(351,524)	(611,774)	681,926	(281,372)
<u>Department of Federal Affairs</u>				
Food Safety & Health Issues	(65,971)	-	132,597	66,626
Subtotal Department of Federal Affairs	(65,971)	-	132,597	66,626
<u>Department of Community, Chapter and State Affairs</u>				
CATCH - Residents' Grants	(710)	-	710	-
CATCH Planning Grants	(123,681)	-	21,277	(102,404)
CATCH Program (A)	(163,769)	-	32,936	(130,833)
Milk PEP	(27,658)	-	19,713	(7,945)
CATCH Implementation grants	(11,427)	-	7,205	(4,222)
Chapter Maintenance of Certification Network	(5,852)	-	2,991	(2,861)
CATCH Program (B)	(150,238)	-	33,072	(117,166)
Pediatrics Residency Training Grant	(228)	-	228	-
CATCH Grant Awards	(135,533)	-	51,037	(84,496)
CATCH Grant Awards 2011-2013	(278,907)	(400,000)	203,618	(475,289)
Transforming Pediatric Residency Training	(126,443)	(115,020)	199,708	(41,755)
Children's Dental Campaign II	-	(26,320)	44,635	18,315
CATCH Program (C)	(153,983)	-	94,621	(59,362)
Healthy Active Living Obesity Prevention	(154,404)	(250,000)	112,210	(292,194)
Teen Safe Driving Program	-	(130,992)	108,173	(22,819)
Accelerating Improved Care for Children with Asthma Program	(842,916)	(400,745)	708,529	(535,132)
Subtotal Department of Community, Chapter and State Affairs	(2,175,749)	(1,323,077)	1,640,663	(1,858,163)
<u>Department of Communications</u>				
Protect Tomorrow II	(461,176)	-	69,788	(391,388)
Subtotal Department of Communications	(461,176)	-	69,788	(391,388)
<u>Department of Membership</u>				
Bruton Lectureship	(10,947)	(397)	-	(11,344)
Subtotal Department of Membership	(10,947)	(397)	-	(11,344)
<u>Department of Education</u>				
NeoReviews/PIR On-Line	(72,222)	-	3,888	(68,334)
Neonatal Imaging Website	(43,854)	-	43,854	-
Pediatric Leadership Alliance	(3,326)	-	369	(2,957)
Global MRP - Laerdal Foundation	(10,882)	-	10,882	-
Pedialink Musculoskeletal Disorders (B)	(28)	-	28	-
HBB Newborn Resuscitation - Africa	-	(30,280)	30,280	-
eQIPP - Growth Hormon Module	(124,812)	-	112,500	(12,312)
Subtotal Department of Education	(255,124)	(30,280)	201,801	(83,603)

See report of independent certified public accountants regarding supplemental information.

American Academy of Pediatrics
CONTRACTS AND GRANTS INFORMATION - CONTINUED
Year ended June 30, 2013

	Over (under) expended balance June 30, 2012	Contracts and grants received	Revenue recognized	Over (under) expended balance June 30, 2013
Nongovernmental - Continued				
<u>Department of Community & Specialty Pediatrics</u>				
Medical Home Program (Private)	\$ (184,583)	\$ -	\$ -	\$ (184,583)
D-PIP Qualitative Interviews	(4,304)	-	-	(4,304)
Healthy Living Grant (B)	(3,815)	-	3,815	-
Obesity Funding - Beyond the Toolkit	(75,527)	-	36,098	(39,429)
Picker Institute's Always Events	(19,863)	(9,210)	29,073	-
Be Our Voice Program	-	(2,144)	2,144	-
Connected Kids	-	(6,090)	-	(6,090)
St. Christopher's Foundation for Children	-	(17,965)	3,774	(14,191)
<i>Subtotal Department of Community & Specialty Pediatrics</i>	<u>(288,092)</u>	<u>(35,409)</u>	<u>74,904</u>	<u>(248,597)</u>
<u>Department of Research</u>				
Secondary Sexual Characteristic in Boys - Pfizer	(9,290)	-	2,065	(7,225)
<i>Subtotal Department of Research</i>	<u>(9,290)</u>	<u>-</u>	<u>2,065</u>	<u>(7,225)</u>
<u>Department of Practice</u>				
Children's Dental Campaign II - supplement	-	(78,256)	35,403	(42,853)
Oral Health Training	(23,958)	6,861	17,097	-
Comparison of Immunization QI Dissemination Strategies	-	(75,183)	75,183	-
<i>Subtotal Department of Practice</i>	<u>(23,958)</u>	<u>(146,578)</u>	<u>127,683</u>	<u>(42,853)</u>
<u>Department of Subspecialty Pediatrics</u>				
Environmental Health Handbook	(16,905)	-	16,905	-
Brett Ratner Memorial	(9,785)	(299)	1,236	(8,848)
Helping Babies Survive Program	-	(75,000)	5,968	(69,032)
<i>Subtotal Department of Subspecialty Pediatrics</i>	<u>(26,690)</u>	<u>(75,299)</u>	<u>24,109</u>	<u>(77,880)</u>
TOTAL NON-GOVERNMENTAL	<u>\$ (4,861,057)</u>	<u>\$ (4,374,856)</u>	<u>\$ 4,971,362</u>	<u>\$ (4,264,551)</u>
GOVERNMENTAL:				
<u>Office of the Executive Director</u>				
Development of Model EHR Format for Children - 5	\$ (271)	\$ 271	\$ -	\$ -
Development of Model EHR Format for Children - 7	(439)	439	-	-
Development of Model EHR Format for Children - 8	(534)	534	-	-
Development of Model EHR Format for Children - 9	-	(24,876)	24,876	-
Adolescent Smoking Cessation in Pediatric Primary Care	-	(341,668)	341,668	-
Changing Pediatric Office Systems Nationally to Address Parental Tobacco Use	-	(68,301)	68,301	-
Using Health Outcomes in Establishing the Effectiveness of Clinical Preventative Services	-	(18,476)	18,476	-
<i>Subtotal Office of the Executive Director</i>	<u>(1,244)</u>	<u>(452,077)</u>	<u>453,321</u>	<u>-</u>
<u>Department of Community, Chapter & State Affairs</u>				
Healthy Tomorrow's Partnership	-	(177,629)	177,629	-
<i>Subtotal Department of Community, Chapter & State Affairs</i>	<u>-</u>	<u>(177,629)</u>	<u>177,629</u>	<u>-</u>
<u>Office of International Affairs</u>				
Survive and Thrive GDP	-	(45,151)	45,151	-
<i>Subtotal Office of International Affairs</i>	<u>-</u>	<u>(45,151)</u>	<u>45,151</u>	<u>-</u>
<u>Department of Education</u>				
Addressing Parental Smoking by Changing Pediatric Office Systems	30	-	-	30
MCHIP - Helping Babies Breathe	-	(27,429)	27,429	-
<i>Subtotal Department of Education</i>	<u>30</u>	<u>(27,429)</u>	<u>27,429</u>	<u>30</u>

See report of independent certified public accountants regarding supplemental information.

American Academy of Pediatrics
CONTRACTS AND GRANTS INFORMATION - CONTINUED
Year ended June 30, 2013

	Over (under) expended balance June 30, 2012	Contracts and grants received	Revenue recognized	Over (under) expended balance June 30, 2013
GOVERNMENTAL - Continued				
<u><i>Department of Community & Speciality Pediatrics</i></u>				
Healthy Child Care Partnership	\$ -	\$ (360,604)	\$ 360,604	\$ -
Bright Futures Pediatric Implementation	-	(731,935)	731,935	-
Bright Futures - Young Investigators Award Supplement	-	(140,101)	140,101	-
Bright Futures - Promoting Healthy Weight Mobile Messaging Supplement	-	(19,362)	19,362	-
Bright Futures - Early Childhood System	-	(196,222)	196,222	-
National Center for CSHCN	-	(659,682)	659,682	-
Early Hearing Diagnosis & Intervention	-	(120,848)	120,848	-
Program to Enhance Health & Development of Intants and Children	-	(454,124)	454,124	-
Program to Enhance Health & Development of Intants and Children - Disaster Preparedness	-	(225,466)	225,466	-
Medical Home for Children Exposed to or Victimized by Violence	-	(124,709)	124,709	-
Medicaid and Children's Health Insurance Programs: Children's Health Genetics in Primary Care	(10,645)	(335,227)	225,112	(120,760)
Transition Services in Adolescent Health - Healthy and Ready to Work	-	(6,000)	6,000	-
Priority 7 - School Health Services (SHS)	-	(260,422)	260,422	-
National Center on Health	-	(1,347,290)	1,347,290	-
National Center on Health	-	(2,374,088)	2,374,088	-
Disaster Outreach and Collaboration for Kids	-	(5,988)	5,988	-
National Collaborative for Innovation in Quality Measurement	-	(1,157)	1,157	-
Nurse Triage Line	-	(83)	83	-
Motivational Interviewing VR Simulation for Clinicians to Prevent and Manage Pediatric Obesity	-	(31,257)	31,257	-
Public Health Conference for Birth Defects and Developmental Disabilities	-	(8,624)	8,624	-
OVC Action Partnerships for National Membership	-	(63,508)	60,159	(3,349)
Adolescent Reproductive Sexual Health	-	(9,850)	9,850	-
Medical Countermeasures Guideline Development	-	(125,324)	125,324	-
Subtotal Department of Committees & Sections	(10,645)	(8,359,133)	8,245,669	(124,109)
<u><i>Department of Research</i></u>				
Improvement in Children's Health Care in Pediatric Practice	-	(66,372)	66,372	-
MCH Research Network Program	-	(326,984)	326,984	-
Body Mass Index 2	-	(258,689)	258,689	-
CEASE	-	(26,989)	26,989	-
Translating an Effective Teen Driving Program for Parents to Primary Care	-	(34,012)	34,012	-
Adolescent Smoking Cessation in Pediatric Primary Care	-	(148,432)	148,432	-
ARRA - MCH Pediatric Research Network Program	-	(1,170,089)	1,170,089	-
Mount Sinai Collaboration for Advancing Pediatric Quality Measures	-	(16,059)	16,059	-
Primary Care Drug Therapeutics CER in a Pediatric EHR Network	-	(347,724)	347,724	-
National Center for Pediatric Practice Based Research & Learning	-	(79,482)	79,482	-
Subtotal Department of Research	-	(2,474,832)	2,474,832	-
<u><i>Department of Practice</i></u>				
Childhood Immunization Support Program	-	(195,504)	195,504	-
GLIDES	-	(17,738)	17,738	-
IHS CONACH Activities	-	(81,977)	43,216	(38,761)
Alliance for Information on Maternal and Child Health Program	-	(185,581)	185,581	-
QI Module to Integrate Oral Health in Primary Care	-	(32,176)	32,176	-
CHIPRA Pediatric Healthcare Quality Measures in Program Centers of Excellence	-	22,155	(22,155)	-
CHIPRA Pediatric Healthcare Quality Measures in Program Centers of Excellence	-	(293,465)	293,465	-
Increasing Adolescent Immunization Rates through Pediatric Partnerships	-	(61,983)	61,983	-
5th International Meeting on Indigenous Child Health	-	(94,452)	94,452	-
Subtotal Department of Practice	-	(940,721)	901,960	(38,761)
<u><i>Department of Subspecialty Pediatrics</i></u>				
EPA Purchase Order	(5,662)	-	5,662	-
Subtotal Department of Subspecialty Pediatrics	(5,662)	-	5,662	-
TOTAL GOVERNMENTAL	\$ (17,521)	\$ (12,476,972)	\$ 12,331,653	\$ (162,840)
TOTAL CONTRACT & GRANTS	\$ (4,878,578)	(16,851,828)	17,303,015	(4,427,391)

See report of independent certified public accountants regarding supplemental information.

American Academy of Pediatrics
SCHEDULE OF FRINGE BENEFITS
Years ended June 30, 2014 and 2013

	<u>2014</u>	<u>2013</u>
Traditional fringe benefits		
Retirement	\$ 3,562,139	\$ 3,453,828
Health insurance	5,196,215	4,744,936
FICA	2,453,757	2,306,831
Life and accidental death	82,467	72,663
Disability	75,354	70,272
Working parent benefit	50,225	62,306
Tuition/Professional Development	406,548	351,493
Health insurance waiver	45,766	55,400
Unemployment	103,087	121,159
EAP	20,298	19,747
Comp time payout	(17,500)	20,800
Dental	236,128	224,947
Business Travel Insurance	20,232	-
Health Initiatives	16,077	9,862
Vision	5,149	5,050
Adoption	-	-
Lactation	5,599	5,438
	<u>12,261,541</u>	<u>11,524,732</u>
Total traditional fringe benefits		
Other employee-related expenses		
Employee activities	53,225	55,708
	<u>53,225</u>	<u>55,708</u>
Total fringe benefits	<u><u>\$12,314,766</u></u>	<u><u>\$11,580,440</u></u>

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