

American Academy of Pediatrics

**Federal Awards
Supplemental Information
June 30, 2013**

American Academy of Pediatrics

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Report on Schedule of Expenditures of Federal Awards
Required by OMB Circular A-133

Independent Auditor's Report

To the Board of Directors
American Academy of Pediatrics

We have audited the basic financial statements of American Academy of Pediatrics as of and for the year ended June 30, 2013 and have issued our report thereon dated February 11, 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. We have not performed any procedures with respect to the audited financial statements subsequent to February 11, 2014.

The accompanying schedule of expenditures of federal awards and schedule of expenditures of federal awards provided to subrecipients are presented for the purpose of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and are not a required part of the basic 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.

February 11, 2014

A handwritten signature in black ink that reads "Plante & Moran, PLLC".

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*

Independent Auditor's Report

To Management and the Board of Directors
American Academy of Pediatrics

We have audited, 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, the financial statements of American Academy of Pediatrics, which comprise the basic statement of financial position as of June 30, 2013, and the related basic statements of activities, changes in net assets, and cash flows for the year then ended, and related notes to the financial statements, and have issued our report thereon dated February 11, 2014.

Internal Control Over Financial Reporting

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

To Management and the Board of Directors
American Academy of Pediatrics

Compliance and Other Matters

As part of obtaining reasonable assurance about whether American Academy of Pediatrics' 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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

February 11, 2014

Plante & Moran, PLLC

Report on Compliance for Each Major Federal Program;
Report on Internal Control Over Compliance

Independent Auditor's Report

To the Board of Directors
American Academy of Pediatrics

Report on Compliance for Each Major Federal Program

We have audited American Academy of Pediatrics' compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2013. American Academy of Pediatrics' major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of American Academy of Pediatrics' major federal programs based on our audit of the types of compliance requirements referred to above.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about American Academy of Pediatrics' compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of American Academy of Pediatrics' compliance.

To the Board of Directors
American Academy of Pediatrics

Opinion on Each Major Federal Program

In our opinion, American Academy of Pediatrics complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2013.

Report on Internal Control Over Compliance

Management of American Academy of Pediatrics is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered American Academy of Pediatrics' internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the entity's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Plante & Moran, PLLC

February 11, 2014

American Academy of Pediatrics

Schedule of Expenditures of Federal Awards Year Ended June 30, 2013

Federal Grantor/Pass-through Grantor/Program Title	CFDA #	Pass-through Entity Identifying Number	Federal Expenditures
Research and Development Cluster:			
U.S. Department of Health and Human Services -			
Maternal and Child Health Federal Consolidated Programs:			
Direct Awards:	93.110		
MCH Research Network Programs			\$ 66,372
MCH Research Network Programs			326,984
Healthy Tomorrows Partnership for Children			177,629
Child Care			360,604
Bright Futures Pediatric Implementation			731,935
Supplement to Bright Futures Pediatric Implementation - Young Investigators Award			140,101
Supplement to Bright Futures Pediatric Implementation - Promoting Healthy Weight Mobile Messaging			19,362
Supplement to Bright Futures Pediatric Implementation - Early Childhood System			196,222
Medical Home Capacity Building for Children with Special Health Care Needs			659,682
Supplement to Medical Home Capacity Building for Children with Special Health Care Needs			120,848
Alliance for Information on Maternal and Child Health Program			185,581
Genetics in Primary Care			757,262
Primary Care Drug Therapeutics CER in a Pediatric EHR Network			347,724
Pass-through from National Health Care Transition Center - Transition Services in Adolescent Health - Healthy and Ready to Work		3023400-0	6,000
Total Maternal and Child Health Federal Consolidated Programs			4,096,306
Agency for Healthcare Research and Quality			
Research on Healthcare Costs, Quality, and Outcomes:			
Direct Awards - National Center for Pediatric Practice Based Research and Learning	93.226		79,482
Pass-through from Mount Sinai School of Medicine Collaboration for Advancing Pediatric Quality Measures		0254-5692-4609	16,059
Pass-through from Medical College of Wisconsin CHIPRA Pediatric Healthcare Quality Measures in Program Centers of Excellence		1384154	(22,155)
Pass-through from Medical College of Wisconsin CHIPRA Pediatric Healthcare Quality Measures in Program Centers of Excellence		1384154	293,465
Pass-through from National Committee for Quality Assurance National Collaborative for Innovation in Quality Measurement		NCINQ-07	1,157
Total Agency for Healthcare Research and Quality			368,008
Total Research and Development			4,464,314

See Notes to Schedule of Expenditures
of Federal Awards.

American Academy of Pediatrics

Schedule of Expenditures of Federal Awards (Continued) Year Ended June 30, 2013

Federal Grantor/Pass-through Grantor/Program Title	CFDA #	Pass-through Entity Identifying Number	Federal Expenditures
Direct Awards - ARRA - Maternal and Child Health (MCH) Pediatric Research Network Program	93.419		\$ 1,170,089
Head Start - Direct Awards:			
National Center on Health	93.600		1,347,290
National Center on Health			<u>2,374,088</u>
Total Head Start			3,721,378
Centers for Medicare and Medicaid Services - Pass-through from Health Management Associates - Medicaid and Children's Health Insurance Programs - Children's Health Insurance Program Reauthorization Act: Sect 401(D)	93.767	HMA 3001	225,111
Centers for Disease Control and Prevention:			
Direct Awards:			
Public Health Program to Enhance Health & Development in Infants and Children	93.283		454,124
Supplement to Public Health Program to Enhance Health & Development in Infants and Children - Disaster Preparedness			225,466
Public Health Conference for Birth Defects and Developmental Disabilities			8,624
Pass-through from National Association of County and City Health Officials Medical Countermeasures Guideline Development		2012 - 11081	125,325
Pass-through from Association for State and Territorial Health Officials - Nurse Triage Line		139	<u>83</u>
			813,622
Direct Awards:			
Childhood Immunization Support Program	93.185		195,504
Increasing Adolescent Immunization Rates through Pediatric Partnerships			<u>61,983</u>
Total Direct Awards			257,487
Priority 7 - School Health Services	93.938		260,422
Pass-through from University of Michigan - Translating an Effective Teen Driving Program for Parents to Primary Care	93.061	3001366132	34,012
Indian Health Service - Direct Awards - 5th International Meeting on Indigenous Child Health	93.443		94,452

American Academy of Pediatrics

Schedule of Expenditures of Federal Awards (Continued) Year Ended June 30, 2013

Federal Grantor/Pass-through Grantor/Program Title	CFDA #	Pass-through Entity Identifying Number	Federal Expenditures
National Institutes of Health:			
National Cancer Institute:			
Direct Awards:			
Adolescent Smoking Cessation in Pediatric Primary Care	93.393		\$ 341,668
Supplement to Adolescent Smoking Cessation in Pediatric Primary Care			148,432
Pass-through from Massachusetts General Hospital:			
Addressing Parental Smoking by Changing Pediatric Office Systems		206601	26,989
Changing Pediatric Office Systems Nationally to Address Parental Tobacco Use		221371	<u>68,301</u>
Total National Cancer Institute			585,390
National Heart, Lung, and Blood Institute:			
Pass-through from University of Michigan -			
Brief Motivational Interviewing for Body Mass Index Reduction	93.837	3000949043	258,689
Pass-through from Kognito Interactive			
Motivational Interviewing VR Simulator for Clinicians to Prevent and Manage Pediatric Obesity		I R43HLI 14050-01	<u>31,257</u>
Total National Heart, Lung, and Blood Institute			289,946
U.S. Agency for International Development -			
Foreign Assistance for Programs Overseas:			
Pass-through from Save the Children Federation, Inc	98.001	84031622-C	27,429
Pass-through from Jhpiego Corporation		13-SBA-025	<u>45,151</u>
Survive and Thrive Global Domestic Alliance			72,580
Total U.S. Agency for International Development			72,580
U.S. Department of Justice -			
Office of Juvenile Justice Programs:			
Medical Home for Children Exposed to or Victimized by Violence	16.582		124,709
Action Partnerships for National Membership			<u>60,159</u>
Total U.S. Department of Justice			<u>184,868</u>
Total expenditures of federal awards			<u><u>\$ 12,173,671</u></u>

See Notes to Schedule of Expenditures
of Federal Awards.

American Academy of Pediatrics

Schedule of Expenditures of Federal Awards Provided to Subrecipients Year Ended June 30, 2013

Federal Grantor/Pass-through Grantor/Program Title	CFDA #	Pass-through Entity Identifying Number	Amount Provided to Subrecipients
Research and Development Cluster:			
U.S. Department of Health and Human Services:			
Maternal and Child Health Federal Consolidated Programs -			
Direct Awards:	93.110		
MCH Research Network Programs			\$ 31,444
MCH Research Network Programs			38,199
Supplement to Bright Futures Pediatric Implementation - Young Investigators Award			140,101
Medical Home Capacity Building for Children with Special Health Care Needs			12,000
Primary Care Drug Therapeutics CER in a Pediatric EHR Network			285,925
Agency for Healthcare Research and Quality:			
Research on Healthcare Costs, Quality and Outcomes			
Direct Awards - National Center for Pediatric Practice Based Research and Learning	93.226		41,625
Direct Awards - ARRA - Maternal and Child Health (MCH) Pediatric Research Network Program	93.419		330,020
Head Start - Direct Awards:			
National Center on Health	93.600		623,801
National Center on Health			1,495,841
Centers for Disease Control and Prevention:			
Direct Awards - Public Health Program to Enhance Health & Development in Infants and Children	93.283		2,000
Direct Awards - Increasing Adolescent Immunization Rates through Pediatric Partnerships	93.185		8,000
National Institutes of Health:			
National Cancer Institute - Direct Awards:			
Adolescent Smoking Cessation in Pediatric Primary Care	93.393		88,513
Supplement to Adolescent Smoking Cessation in Pediatric Primary Care			6,374
National Heart, Lung, and Blood Institute -			
Pass-through from University of Michigan			
Brief Motivational Interviewing for Body Mass Index Reduction	93.837	3000949043	2,000
Total expenditures of federal awards			<u><u>\$ 3,105,843</u></u>

American Academy of Pediatrics

Notes to Schedule of Expenditures of Federal Awards Year Ended June 30, 2013

Note 1 - Basis of Presentation and Significant Accounting Policies

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of the American Academy of Pediatrics under programs of the federal government for the year ended June 30, 2013. Expenditures reported on the Schedule are reported on the same basis of accounting as the basic financial statements, although the basis for determining when federal awards are expended is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. In addition, expenditures reported on the Schedule are recognized following the cost principles contained in OMB Circular A-122, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Therefore, some amounts presented in this Schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Because the Schedule presents only a selected portion of the operations of American Academy of Pediatrics, it is not intended to and does not present the financial position, changes in net assets, or cash flows, if applicable, of American Academy of Pediatrics. Pass-through entity identifying numbers are presented where available.

Note 2 - Adjustments and Transfers

During the year ended June 30, 2013, there were no transfers of grant overpayments.

Note 3 - Loans Outstanding

Of the federal expenditures presented in the Schedule, there were no loans or loan guarantees outstanding at June 30, 2013.

Note 4 - Noncash Assistance

The grantee neither received nor disbursed federal awards in the form of nonmonetary assistance for the year ended June 30, 2013.

American Academy of Pediatrics

Schedule of Findings and Questioned Costs Year Ended June 30, 2013

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? Yes No
- Significant deficiency(ies) identified that are not considered to be material weaknesses? Yes None reported

Noncompliance material to financial statements noted? Yes No

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? Yes No
- Significant deficiency(ies) identified that are not considered to be material weaknesses? Yes None reported

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133? Yes No

Identification of major programs:

CFDA Numbers	Name of Federal Program or Cluster
93.110	Maternal and Child Health Federal Consolidated Programs
93.226	Research on Healthcare Costs, Quality, and Outcomes
93.283	Public Health Program to Enhance Health & Development in Infants and Children
93.419	ARRA - Maternal and Child Health (MCH) Pediatric Research Network Program

Dollar threshold used to distinguish between type A and type B programs: \$365,210

Auditee qualified as low-risk auditee? Yes No

American Academy of Pediatrics

Schedule of Findings and Questioned Costs (Continued) Year Ended June 30, 2013

Section II - Financial Statement Audit Findings

None

Section III - Federal Program Audit Findings

None