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## Return of Organization Exempt From Income Tax

**Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)**

► The organization may have to use a copy of this return to satisfy state reporting requirements.

OMB No 1545-0047

2009

**Open to Public  
Inspection**

A For the 2009 calendar year, or tax year beginning JUL 1, 2009 and ending JUN 30, 2010

<b>B</b> Check if applicable <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Terminated <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	<b>C</b> Name of organization  <b>AMERICAN COUNCIL ON EXERCISE</b>		
	<b>Doing Business As</b>		
	Number and street (or P.O. box if mail is not delivered to street address)		Room/suite
	<b>4851 PARAMOUNT DRIVE</b>		
	City or town, state or country, and ZIP + 4		
	<b>SAN DIEGO, CA 92123</b>		
	<b>F</b> Name and address of principal officer <b>ALEX MIRNEZAM</b> <b>SAME AS C ABOVE</b>		
<b>I</b> Tax-exempt status <input checked="" type="checkbox"/> 501(c) (3) (insert no.) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527			<b>D</b> Employer identification number  <b>33-0123550</b>
<b>J</b> Website: ► <b>WWW.ACEFITNESS.COM</b>			
<b>K</b> Form of organization: <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other ►			
<b>L</b> Year of formation: <b>1986</b>			<b>M</b> State of legal domicile: <b>CA</b>
<b>E</b> Telephone number <b>(858) 279-8227</b>			
<b>G</b> Gross receipts \$ <b>10,686,834.</b>			
<b>H(a)</b> Is this a group return for affiliates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
<b>H(b)</b> Are all affiliates included? <input type="checkbox"/> Yes <input type="checkbox"/> No			
If "No," attach a list (see instructions)			
<b>H(c)</b> Group exemption number ►			

## Part II Summary

Activities & Governance	1 Briefly describe the organization's mission or most significant activities <b>THE AMERICAN COUNCIL ON EXERCISE (ACE), AMERICA'S PREMIER CERTIFICATION, EDUCATION AND TRAINING</b>		
	2 Check this box ► <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets		
Revenue	3 Number of voting members of the governing body (Part VI, line 1a)	3	12
	4 Number of independent voting members of the governing body (Part VI, line 1b)	4	12
	5 Total number of employees (Part V, line 2a)	5	47
	6 Total number of volunteers (estimate if necessary)	6	0
	7a Total gross unrelated business revenue from Part VIII, column (C), line 12	7a	149,948.
	b Net unrelated business taxable income from Form 990-T, line 34	7b	-6,152.
		Prior Year	Current Year
8 Contributions and grants (Part VIII, line 1h)	304.	740.	
9 Program service revenue (Part VIII, line 2g)	5,977,877.	5,969,292.	
10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)	65,425.	44,150.	
11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	2,926,935.	2,898,886.	
12 Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)	8,970,541.	8,913,068.	
Expenses	13 Grants and similar amounts paid (Part IX, column (A), lines 1-3)		
	14 Benefits paid to or for members (Part IX, column (A), line 4)		
	15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)	3,921,512.	3,958,849.
	16a Professional fundraising fees (Part IX, column (A), line 11e)		
	b Total fundraising expenses (Part IX, column (D), line 25) ► <span style="border: 1px solid black; padding: 2px;">RECEIVED NOV 15 2010 OSC</span>		
	17 Other expenses (Part IX, column (A), lines 1a-10, 11f-20)	4,693,140.	4,680,686.
	18 Total expenses Add lines 13-17 (must equal Part IX, column (A), line 25)	8,614,652.	8,639,535.
19 Revenue less expenses Subtract line 18 from line 12	355,889.	273,533.	
Net Assets or Fund Balances	20 Total assets (Part X, line 16)	Beginning of Current Year	End of Year
	21 Total liabilities (Part X, line 26)	8,416,078.	9,269,634.
	22 Net assets or fund balances. Subtract line 21 from line 20	2,167,758.	2,655,245.
		6,248,320.	6,614,389.

**Part II: Signature Block**

Under penalties of perjury I declare that I have examined this return including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge

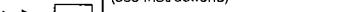
Sign  
Here

Signature of officer

11/21/09

ALEX MIRNEZAM, C.F.O.

Type or print name and title

<b>Paid Preparer's Use Only</b>	Preparer's signature 	Date 	Check if self-employed <input type="checkbox"/>	Preparer's identifying number (see instructions)
	Firm's name (or yours if self-employed), address, and ZIP + 4 			EIN 
	 			Phone no 

May the IRS discuss this return with the preparer shown above? (see instructions)

Yes  No

### Part III Statement of Program Service Accomplishments

1	Briefly describe the organization's mission: <b>SEE SCHEDULE O FOR CONTINUATION</b> <b>THE AMERICAN COUNCIL ON EXERCISE IS A NON-PROFIT ORGANIZATION</b> <b>COMMITTED TO ENRICHING QUALITY OF LIFE THROUGH SAFE AND EFFECTIVE</b> <b>EXERCISE AND PHYSICAL ACTIVITY. AS AMERICA'S AUTHORITY ON FITNESS, ACE</b> <b>PROTECTS ALL SEGMENTS OF SOCIETY AGAINST INEFFECTIVE FITNESS PRODUCTS.</b>	
2	Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? If "Yes," describe these new services on Schedule O	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
3	Did the organization cease conducting, or make significant changes in how it conducts, any program services? If "Yes," describe these changes on Schedule O.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
4	Describe the exempt purpose achievements for each of the organization's three largest program services by expenses. Section 501(c)(3) and 501(c)(4) organizations and section 4947(a)(1) trusts are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported	

4a (Code: ) (Expenses \$ 2,353,461. including grants of \$ ) (Revenue \$ 2,015,402. )  
**CERTIFICATION: FEES CHARGED FOR TAKING CERTIFICATION EXAMINATIONS.**  
**OTHER EXPENSES INCLUDING EXAM DEVELOPMENT COSTS AND ITEM WRITING**  
**MEETINGS.**

4b (Code: ) (Expenses \$ 2,597,371. including grants of \$ ) (Revenue \$ 3,575,102. )  
**EDUCATIONAL MATERIALS AND TRAINING MANUALS: PUBLISHING AND SELLING  
VARIOUS EDUCATIONAL AND TRAINING MANUALS FOR EXERCISE PROFESSIONALS,  
AND RELATED SHIPPING AND HANDLING.**

4c (Code ) (Expenses \$ 608,498. including grants of \$ ) (Revenue \$ 1,447,018. )  
**CONTINUING EDUCATION FEES: FEES RECEIVED FOR ONLINE AND IN PERSON  
EDUCATIONAL WORKSHOPS AND PROCESSING FEES FOR CONTINUING EDUCATION  
QUIZZES.**

**4d Other program services (Describe in Schedule O.)**

(Expenses \$ 1,152,038. including grants of \$

) (Revenue \$ 1,549,351.)

4e Total program service expenses ► \$ 6,711,368.

## Part IV Checklist of Required Schedules

	Yes	No
1	X	
2	X	
3		X
4	X	
5		
6	X	
7		X
8		X
9		X
10		X
11	X	
12	X	
12A		X
13		X
14a		X
14b		X
15		X
16		X
17		X
18		X
19		X
20		X

1 Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)?  
If "Yes," complete Schedule A

2 Is the organization required to complete Schedule B, Schedule of Contributors?

3 Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? If "Yes," complete Schedule C, Part I

4 Section 501(c)(3) organizations. Did the organization engage in lobbying activities? If "Yes," complete Schedule C, Part II

5 Section 501(c)(4), 501(c)(5), and 501(c)(6) organizations. Is the organization subject to the section 6033(e) notice and reporting requirement and proxy tax? If "Yes," complete Schedule C, Part III

6 Did the organization maintain any donor advised funds or any similar funds or accounts where donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? If "Yes," complete Schedule D, Part I

7 Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? If "Yes," complete Schedule D, Part II

8 Did the organization maintain collections of works of art, historical treasures, or other similar assets? If "Yes," complete Schedule D, Part III

9 Did the organization report an amount in Part X, line 21; serve as a custodian for amounts not listed in Part X; or provide credit counseling, debt management, credit repair, or debt negotiation services? If "Yes," complete Schedule D, Part IV

10 Did the organization, directly or through a related organization, hold assets in term, permanent, or quasi-endowments? If "Yes," complete Schedule D, Part V

11 Is the organization's answer to any of the following questions "Yes"? If so, complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable

- Did the organization report an amount for land, buildings, and equipment in Part X, line 10? If "Yes," complete Schedule D, Part VI
- Did the organization report an amount for investments - other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VII
- Did the organization report an amount for investments - program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VIII
- Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part IX
- Did the organization report an amount for other liabilities in Part X, line 25? If "Yes," complete Schedule D, Part X
- Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48? If "Yes," complete Schedule D, Part X

12 Did the organization obtain separate, independent audited financial statements for the tax year? If "Yes," complete Schedule D, Parts XI, XII, and XIII

12A Was the organization included in consolidated, independent audited financial statements for the tax year?  
If "Yes," completing Schedule D, Parts XI, XII, and XIII is optional

13 Is the organization a school described in section 170(b)(1)(A)(ii)? If "Yes," complete Schedule E

14a Did the organization maintain an office, employees, or agents outside of the United States?

b Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, and program service activities outside the United States? If "Yes," complete Schedule F, Part I

15 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or assistance to any organization or entity located outside the United States? If "Yes," complete Schedule F, Part II

16 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or assistance to individuals located outside the United States? If "Yes," complete Schedule F, Part III

17 Did the organization report a total of more than \$15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? If "Yes," complete Schedule G, Part I

18 Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? If "Yes," complete Schedule G, Part II

19 Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? If "Yes," complete Schedule G, Part III

20 Did the organization operate one or more hospitals? If "Yes," complete Schedule H

## Part IV Checklist of Required Schedules (continued)

		Yes	No
21	Did the organization report more than \$5,000 of grants and other assistance to governments and organizations in the United States on Part IX, column (A), line 1? If "Yes," complete Schedule I, Parts I and II	21	X
22	Did the organization report more than \$5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? If "Yes," complete Schedule I, Parts I and III	22	X
23	Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? If "Yes," complete Schedule J	23	X
24a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? If "Yes," answer lines 24b through 24d and complete Schedule K If "No", go to line 25	24a	X
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	24b	
c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?	24c	
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	24d	
25a	Section 501(c)(3) and 501(c)(4) organizations. Did the organization engage in an excess benefit transaction with a disqualified person during the year? If "Yes," complete Schedule L, Part I	25a	X
b	Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? If "Yes," complete Schedule L, Part I	25b	X
26	Was a loan to or by a current or former officer, director, trustee, key employee, highly compensated employee, or disqualified person outstanding as of the end of the organization's tax year? If "Yes," complete Schedule L, Part II	26	X
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor, or a grant selection committee member, or to a person related to such an individual? If "Yes," complete Schedule L, Part III	27	X
28	Was the organization a party to a business transaction with one of the following parties, (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions):		
a	A current or former officer, director, trustee, or key employee? If "Yes," complete Schedule L, Part IV	28a	X
b	A family member of a current or former officer, director, trustee, or key employee? If "Yes," complete Schedule L, Part IV	28b	X
c	An entity of which a current or former officer, director, trustee, or key employee of the organization (or a family member) was an officer, director, trustee, or direct or indirect owner? If "Yes," complete Schedule L, Part IV	28c	X
29	Did the organization receive more than \$25,000 in non-cash contributions? If "Yes," complete Schedule M	29	X
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? If "Yes," complete Schedule M	30	X
31	Did the organization liquidate, terminate, or dissolve and cease operations? If "Yes," complete Schedule N, Part I	31	X
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? If "Yes," complete Schedule N, Part II	32	X
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? If "Yes," complete Schedule R, Part I	33	X
34	Was the organization related to any tax-exempt or taxable entity? If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1	34	X
35	Is any related organization a controlled entity within the meaning of section 512(b)(13)? If "Yes," complete Schedule R, Part V, line 2	35	X
36	Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? If "Yes," complete Schedule R, Part V, line 2	36	X
37	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? If "Yes," complete Schedule R, Part VI	37	X
38	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11 and 19? Note. All Form 990 filers are required to complete Schedule O.	38	X

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## Part V Statements Regarding Other IRS Filings and Tax Compliance

		Yes	No
1a	Enter the number reported in Box 3 of Form 1096, Annual Summary and Transmittal of U.S. Information Returns. Enter -0- if not applicable	1a	93
1b		1b	0
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	1c	X
2a	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return	2a	47
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns? <i>Note. If the sum of lines 1a and 2a is greater than 250, you may be required to e-file this return (see instructions)</i>	2b	X
3a	Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return?	3a	X
b	If "Yes," has it filed a Form 990-T for this year? If "No," provide an explanation in Schedule O	3b	X
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?	4a	X
b	If "Yes," enter the name of the foreign country ►  See the instructions for exceptions and filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts		
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?	5a	X
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?	5b	X
c	If "Yes," to line 5a or 5b, did the organization file Form 8886-T, Disclosure by Tax-Exempt Entity Regarding Prohibited Tax Shelter Transaction?	5c	
6a	Does the organization have annual gross receipts that are normally greater than \$100,000, and did the organization solicit any contributions that were not tax deductible?	6a	X
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	6b	
7	<b>Organizations that may receive deductible contributions under section 170(c).</b>	7a	X
a	Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor?	7b	
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?	7c	X
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?	7d	
d	If "Yes," indicate the number of Forms 8282 filed during the year	7e	X
e	Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	7f	X
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?	7g	
g	For all contributions of qualified intellectual property, did the organization file Form 8899 as required?	7h	
h	For contributions of cars, boats, airplanes, and other vehicles, did the organization file a Form 1098-C as required?	8	
8	<b>Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations.</b> Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?	9a	
9	<b>Sponsoring organizations maintaining donor advised funds.</b>	9b	
a	Did the organization make any taxable distributions under section 4966?	10a	
b	Did the organization make a distribution to a donor, donor advisor, or related person?	10b	
10	<b>Section 501(c)(7) organizations.</b> Enter	11a	
a	Initiation fees and capital contributions included on Part VIII, line 12	11b	
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	12a	
11	<b>Section 501(c)(12) organizations.</b> Enter	12b	
a	Gross income from members or shareholders		
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)		
12a	<b>Section 4947(a)(1) non-exempt charitable trusts.</b> Is the organization filing Form 990 in lieu of Form 1041?		
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year		

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**Part VI Governance, Management, and Disclosure** For each "Yes" response to lines 2 through 7b below, and for a "No" response to line 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O. See instructions

### Section A. Governing Body and Management

		Yes	No
1a	Enter the number of voting members of the governing body	1a	12
b	Enter the number of voting members that are independent	1b	12
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	2	X
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person?	3	X
4	Did the organization make any significant changes to its organizational documents since the prior Form 990 was filed?	4	X
5	Did the organization become aware during the year of a material diversion of the organization's assets?	5	X
6	Does the organization have members or stockholders?	6	X
7a	Does the organization have members, stockholders, or other persons who may elect one or more members of the governing body?	7a	X
b	Are any decisions of the governing body subject to approval by members, stockholders, or other persons?	7b	X
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:		
a	The governing body?	8a	X
b	Each committee with authority to act on behalf of the governing body?	8b	X
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O	9	X

### Section B. Policies (This Section B requests information about policies not required by the Internal Revenue Code.)

		Yes	No
10a	Does the organization have local chapters, branches, or affiliates?	10a	X
b	If "Yes," does the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with those of the organization?	10b	
11	Has the organization provided a copy of this Form 990 to all members of its governing body before filing the form?	11	X
11A	Describe in Schedule O the process, if any, used by the organization to review this Form 990		
12a	Does the organization have a written conflict of interest policy? If "No," go to line 13	12a	X
b	Are officers, directors or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	12b	X
c	Does the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this is done	12c	X
13	Does the organization have a written whistleblower policy?	13	X
14	Does the organization have a written document retention and destruction policy?	14	X
15	Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?		
a	The organization's CEO, Executive Director, or top management official	15a	X
b	Other officers or key employees of the organization	15b	X
	If "Yes" to line 15a or 15b, describe the process in Schedule O (See instructions.)		
16a	Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?	16a	X
b	If "Yes," has the organization adopted a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and taken steps to safeguard the organization's exempt status with respect to such arrangements?	16b	

### Section C. Disclosure

17 List the states with which a copy of this Form 990 is required to be filed ►CA

18 Section 6104 requires an organization to make its Forms 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection. Indicate how you make these available. Check all that apply  
 Own website    Another's website    Upon request

19 Describe in Schedule O whether (and if so, how) the organization makes its governing documents, conflict of interest policy, and financial statements available to the public.

20 State the name, physical address, and telephone number of the person who possesses the books and records of the organization. ►  
**ALEX MIRNEZAM - 858-279-8227**  
**4851 PARAMOUNT DRIVE, SAN DIEGO, CA 92123**

**Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors**
**Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees**

1a Complete this table for all persons required to be listed. Report compensation for the calendar year ending with or within the organization's tax year. Use Schedule J-2 if additional space is needed.

• List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation. Enter 0- in columns (D), (E), and (F) if no compensation was paid.

• List all of the organization's **current** key employees. See instructions for definition of "key employee."

• List the organization's **five current** highest compensated employees (other than an officer, director, trustee, or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than \$100,000 from the organization and any related organizations.

• List all of the organization's **former** officers, key employees, and highest compensated employees who received more than \$100,000 of reportable compensation from the organization and any related organizations.

• List all of the organization's **former** directors or trustees that received, in the capacity as a former director or trustee of the organization, more than \$10,000 of reportable compensation from the organization and any related organizations.

List persons in the following order: individual trustees or directors; institutional trustees; officers; key employees; highest compensated employees; and former such persons

Check this box if the organization did not compensate any current officer, director, or trustee.

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)					(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee			
GLEN GRODEM BOARD MEMBER	2.00	X					0.	0.	0.
WOJTEK CHODZKO-ZAJKO BOARD CHAIR	3.00	X					0.	0.	0.
JANET LEE VICE-CHAIR	2.00	X					0.	0.	0.
DEAN SANNER BOARD MEMBER	2.00	X					0.	0.	0.
JOHN MARTINEZ BOARD MEMBER	1.00	X					0.	0.	0.
CHRIS FREYTAG BOARD MEMBER	1.00	X					0.	0.	0.
TED VICKEY BOARD MEMBER	3.00	X					0.	0.	0.
LORNA FRIEDMAN BOARD MEMBER	1.00	X					0.	0.	0.
ASH HAYES BOARD MEMBER	3.00	X					0.	0.	0.
MANUAL RODRIGUEZ BOARD MEMBER	1.00	X					0.	0.	0.
ELLIOT TURRINI BOARD MEMBER	1.00	X					0.	0.	0.
HERB FLENTYE BOARD MEMBER	3.00	X					0.	0.	0.
KIMBERLY WELLS BOARD MEMBER	1.00	X					0.	0.	0.
SCOTT MURDOCH BOARD MEMBER	1.00	X					0.	0.	0.
SCOTT GOUDSEUNE PRESIDENT & CEO	70.00		X				282,355.	0.	22,280.
ALEX MIRNEZAM CHIEF FINANCIAL OFFICER	65.00		X				253,033.	0.	17,836.
CEDRIC BRYANT CHIEF SCIENCE OFFICER	70.00			X			245,218.	0.	24,038.

**Part VII** **Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees (continued)**

**1b Total**

1,344,000.

0. 100,510.

2 Total number of individuals (including but not limited to those listed above) who received more than \$100,000 in reportable compensation from the organization ►

7

3 Did the organization list any **former** officer, director or trustee, key employee, or highest compensated employee on line 1a? If "Yes," complete Schedule J for such individual

4 For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than \$150,000? If "Yes," complete Schedule J for such individual

5 Did any person listed on line 1a receive or accrue compensation from any unrelated organization for services rendered to the organization? If "Yes," complete Schedule J for such person

## **Section B. Independent Contractors**

1 Complete this table for your five highest compensated independent contractors that received more than \$100,000 of compensation from the organization

(A) Name and business address	(B) Description of services	(C) Compensation
CASTLE WORLDWIDE, INC., 900 PERIMETER PARK DRIVE, SUITE G, MORRISVILLE, NC 27560	TEST ADMIN. SERVICES	1,142,551.
HEALTHY LEARNING P.O. BOX 1828, MONTEREY, CA 93942	PUBLISHER	644,150.
IPC PRINT SERVICES 2179 MAIDEN LANE , ST. JOSEPH, MI 49085	PRINTER	521,052.
FEDERAL EXPRESS P.O. BOX 7221, PASADENA, CA 91109	SHIPPING & HANDLING	280,479.
BUSINESS ONLINE, 610 WEST ASH STREET, SUITE 1701, SAN DIEGO, CA 92101	WEB/MARKETING CONSULTING	205,273.

2 Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 in compensation from the organization ► 9

9

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Form 990 (2009)

**Part VIII Statement of Revenue**

		(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514
Contributions, gifts, grants and other similar amounts	1 a Federated campaigns	1a			
	b Membership dues	1b			
	c Fundraising events	1c			
	d Related organizations	1d			
	e Government grants (contributions)	1e			
	f All other contributions, gifts, grants, and similar amounts not included above	1f	740.		
	g Noncash contributions included in lines 1a-1f \$				
	h Total. Add lines 1a-1f		740.		
Program Service Revenue		Business Code			
	2 a CERTIFICATION FEES	900099	2,400,454.	2,400,454.	
	b RENEWAL FEES	900099	1,833,527.	1,833,527.	
	c CONTINUING EDUCATION	900099	1,723,477.	1,723,477.	
	d MEMBERSHIP FEES	900099	11,834.	11,834.	
	e				
	f All other program service revenue				
	g Total. Add lines 2a-2f		5,969,292.		
Other Revenue	3 Investment income (including dividends, interest, and other similar amounts)		49,707.		49,707.
	4 Income from investment of tax-exempt bond proceeds				
	5 Royalties		131,357.		131,357.
	6 a Gross Rents	(i) Real			
	b Less: rental expenses				
	c Rental income or (loss)				
	d Net rental income or (loss)				
Other Revenue	7 a Gross amount from sales of assets other than inventory	(i) Securities			
	b Less: cost or other basis and sales expenses	135,882.			
	c Gain or (loss)	141,439.			
	d Net gain or (loss)	-5,557.			
	8 a Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c) See Part IV, line 18	a			
	b Less direct expenses	b			
	c Net income or (loss) from fundraising events				
Other Revenue	9 a Gross income from gaming activities See Part IV, line 19	a			
	b Less: direct expenses	b			
	c Net income or (loss) from gaming activities				
	10 a Gross sales of inventory, less returns and allowances	a 4249908.			
	b Less: cost of goods sold	b 1632327.			
	c Net income or (loss) from sales of inventory		2,617,581.	2,617,581.	
	Miscellaneous Revenue	Business Code			
11 a MAILING LIST RENTAL	518210	141,715.		141,715.	
	b ADVERTISING	541800	8,233.		8,233.
	c				
	d All other revenue				
	e Total. Add lines 11a-11d		149,948.		
	12 Total revenue. See instructions.		8,913,068.	8,586,873.	149,948.
					175,507.

**Part IX Statement of Functional Expenses**

Section 501(c)(3) and 501(c)(4) organizations must complete all columns.

All other organizations must complete column (A) but are not required to complete columns (B), (C), and (D).

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to governments and organizations in the U.S. See Part IV, line 21				
2 Grants and other assistance to individuals in the U.S. See Part IV, line 22				
3 Grants and other assistance to governments, organizations, and individuals outside the U.S. See Part IV, lines 15 and 16				
4 Benefits paid to or for members				
5 Compensation of current officers, directors, trustees, and key employees	1,243,669.	649,020.	594,649.	
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
7 Other salaries and wages	2,259,114.	1,694,002.	565,112.	
8 Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	60,029.	42,020.	18,009.	
9 Other employee benefits	154,495.	123,481.	31,014.	
10 Payroll taxes	241,542.	214,349.	27,193.	
11 Fees for services (non-employees):				
a Management	91,856.		91,856.	
b Legal	41,012.		41,012.	
c Accounting				
d Lobbying				
e Professional fundraising services. See Part IV, line 17				
f Investment management fees	10,150.		10,150.	
g Other				
12 Advertising and promotion	367,569.	326,439.	41,130.	
13 Office expenses	42,872.	15,080.	27,792.	
14 Information technology				
15 Royalties				
16 Occupancy	1,784.		1,784.	
17 Travel	143,997.	129,860.	14,137.	
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings	207,617.	95,598.	112,019.	
20 Interest	66,727.	46,709.	20,018.	
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	300,522.	165,287.	135,235.	
23 Insurance	129,945.	65,361.	64,584.	
24 Other expenses. Itemize expenses not covered above. (Expenses grouped together and labeled miscellaneous may not exceed 5% of total expenses shown on line 25 below.)				
a TESTING SERVICES	1,032,742.	1,032,742.		
b MARKETING	709,280.	703,020.	6,260.	
c PRINTING, PHOTOGRAPHY &	342,319.	341,105.	1,214.	
d EVENTS & TRADE SHOWS	261,965.	261,965.		
e MERCHANT FEES	230,080.	230,080.		
f All other expenses	700,249.	575,250.	124,999.	
25 Total functional expenses. Add lines 1 through 24f	8,639,535.	6,711,368.	1,928,167.	0.
26 Joint costs. Check here ► <input type="checkbox"/> if following SOP 98-2. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation				

## Part X Balance Sheet

		(A) Beginning of year	(B) End of year
Assets	1 Cash - non-interest-bearing	500.	500.
	2 Savings and temporary cash investments	3,093,070.	2
	3 Pledges and grants receivable, net		3
	4 Accounts receivable, net	29,578.	4
	5 Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L		5
	6 Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B). Complete Part II of Schedule L		6
	7 Notes and loans receivable, net		7
	8 Inventories for sale or use	311,212.	8
	9 Prepaid expenses and deferred charges	774,155.	9
	10a Land, buildings, and equipment: cost or other basis Complete Part VI of Schedule D	10a 6,486,013.	
	b Less: accumulated depreciation	10b 3,083,256.	3,550,029.
	11 Investments - publicly traded securities	657,534.	10c 1,013,719.
	12 Investments - other securities See Part IV, line 11		12
	13 Investments - program-related See Part IV, line 11		13
	14 Intangible assets		14
	15 Other assets. See Part IV, line 11		15
	16 Total assets. Add lines 1 through 15 (must equal line 34)	8,416,078.	16 9,269,634.
Liabilities	17 Accounts payable and accrued expenses	882,720.	17 869,574.
	18 Grants payable		18
	19 Deferred revenue	234,873.	19 791,773.
	20 Tax-exempt bond liabilities		20
	21 Escrow or custodial account liability Complete Part IV of Schedule D		21
	22 Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L		22
	23 Secured mortgages and notes payable to unrelated third parties	1,050,165.	23 993,898.
	24 Unsecured notes and loans payable to unrelated third parties		24
	25 Other liabilities. Complete Part X of Schedule D		25
	26 Total liabilities. Add lines 17 through 25	2,167,758.	26 2,655,245.
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here ► <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.		
	27 Unrestricted net assets	6,248,320.	27 6,614,389.
	28 Temporarily restricted net assets		28
	29 Permanently restricted net assets		29
	Organizations that do not follow SFAS 117, check here ► <input type="checkbox"/> and complete lines 30 through 34.		
	30 Capital stock or trust principal, or current funds		30
	31 Paid-in or capital surplus, or land, building, or equipment fund		31
	32 Retained earnings, endowment, accumulated income, or other funds		32
	33 Total net assets or fund balances	6,248,320.	33 6,614,389.
	34 Total liabilities and net assets/fund balances	8,416,078.	34 9,269,634.

Form 990 (2009)

**Part XI** Financial Statements and Reporting

	Yes	No
1 Accounting method used to prepare the Form 990: <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other _____		
If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O.		
2a Were the organization's financial statements compiled or reviewed by an independent accountant?	2a	X
b Were the organization's financial statements audited by an independent accountant?	2b	X
c If "Yes" to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant?	2c	X
If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O.		
d If "Yes" to line 2a or 2b, check a box below to indicate whether the financial statements for the year were issued on a consolidated basis, separate basis, or both		
<input checked="" type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis		
3a As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?	3a	X
b If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits	3b	

Form 990 (2009)

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**Name of the organization**

**Employer identification number**  
33-0123550

## AMERICAN COUNCIL ON EXERCISE

**Part I** **Reason for Public Charity Status** (All organizations must complete this part.) See instructions.

Name of the organization <b>AMERICAN COUNCIL ON EXERCISE</b>	Employer identification number <b>33-0123550</b>
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**Part I** Reason for Public Charity Status (All organizations must complete this part.) See instructions.

The organization is not a private foundation because it is (For lines 1 through 11, check only one box.)

1	<input type="checkbox"/> A church, convention of churches, or association of churches described in section 170(b)(1)(A)(i).
2	<input type="checkbox"/> A school described in section 170(b)(1)(A)(ii). (Attach Schedule E.)
3	<input type="checkbox"/> A hospital or a cooperative hospital service organization described in section 170(b)(1)(A)(iii).
4	<input type="checkbox"/> A medical research organization operated in conjunction with a hospital described in section 170(b)(1)(A)(iii). Enter the hospital's name, city, and state: _____
5	<input type="checkbox"/> An organization operated for the benefit of a college or university owned or operated by a governmental unit described in section 170(b)(1)(A)(iv). (Complete Part II.)
6	<input type="checkbox"/> A federal, state, or local government or governmental unit described in section 170(b)(1)(A)(v).
7	<input type="checkbox"/> An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in section 170(b)(1)(A)(vi). (Complete Part II.)
8	<input type="checkbox"/> A community trust described in section 170(b)(1)(A)(vi). (Complete Part II.)
9	<input checked="" type="checkbox"/> An organization that normally receives: (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions - subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See section 509(a)(2). (Complete Part III.)
10	<input type="checkbox"/> An organization organized and operated exclusively to test for public safety. See section 509(a)(4).
11	<input type="checkbox"/> An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2). See section 509(a)(3). Check the box that describes the type of supporting organization and complete lines 11e through 11h
e	<input type="checkbox"/> Type I <input type="checkbox"/> Type II <input type="checkbox"/> Type III - Functionally integrated <input type="checkbox"/> Type III - Other
f	By checking this box, I certify that the organization is not controlled directly or indirectly by one or more disqualified persons other than foundation managers and other than one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2)
g	If the organization received a written determination from the IRS that it is a Type I, Type II, or Type III supporting organization, check this box
h	Since August 17, 2006, has the organization accepted any gift or contribution from any of the following persons?
(i)	A person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the supported organization?
(ii)	A family member of a person described in (i) above?
(iii)	A 35% controlled entity of a person described in (i) or (ii) above?
i	Provide the following information about the supported organization(s).

	Yes	No
11g(i)		
11g(ii)		
11g(iii)		

**LHA For Privacy Act and Paperwork Reduction Act Notice, see the Instructions for Form 990 or 990-EZ.**

**Schedule A (Form 990 or 990-EZ) 2009**

**Part II Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)**

(Complete only if you checked the box on line 5, 7, or 8 of Part I.)

**Section A. Public Support**

Calendar year (or fiscal year beginning in) ►	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")						
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
3 The value of services or facilities furnished by a governmental unit to the organization without charge						
4 <b>Total.</b> Add lines 1 through 3						
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						
<b>6 Public support.</b> Subtract line 5 from line 4						

**Section B. Total Support**

Calendar year (or fiscal year beginning in) ►	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(f) Total
7 Amounts from line 4						
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)						
<b>11 Total support.</b> Add lines 7 through 10						
<b>12 Gross receipts from related activities, etc. (see instructions)</b>						12
<b>13 First five years.</b> If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and <b>stop here</b>						► <input type="checkbox"/>

**Section C. Computation of Public Support Percentage**

<b>14</b> Public support percentage for 2009 (line 6, column (f) divided by line 11, column (f))	14	%
<b>15</b> Public support percentage from 2008 Schedule A, Part II, line 14	15	%
<b>16a 33 1/3% support test - 2009.</b> If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and <b>stop here</b> . The organization qualifies as a publicly supported organization	► <input type="checkbox"/>	
<b>b 33 1/3% support test - 2008.</b> If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and <b>stop here</b> . The organization qualifies as a publicly supported organization	► <input type="checkbox"/>	
<b>17a 10% -facts-and-circumstances test - 2009.</b> If the organization did not check a box on line 13, 16a, or 16b, and line 14 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and <b>stop here</b> . Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization	► <input type="checkbox"/>	
<b>b 10% -facts-and-circumstances test - 2008.</b> If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and <b>stop here</b> . Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization	► <input type="checkbox"/>	
<b>18 Private foundation.</b> If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions	► <input type="checkbox"/>	

Schedule A (Form 990 or 990-EZ) 2009

**Part III Support Schedule for Organizations Described in Section 509(a)(2)** (Complete only if you checked the box on line 9 of Part I.)**Section A. Public Support**

Calendar year (or fiscal year beginning in) ►	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(f) Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants.")	856.	151.	653.	304.	740.	2,704.
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose	8782620.	9197164.	10210993.	10090432.	10219200.	48500409.
3 Gross receipts from activities that are not an unrelated trade or business under section 513						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5 The value of services or facilities furnished by a governmental unit to the organization without charge						
6 Total. Add lines 1 through 5	8783476.	9197315.	10211646.	10090736.	10219940.	48503113.
7a Amounts included on lines 1, 2, and 3 received from disqualified persons						0.
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of \$5,000 or 1% of the amount on line 13 for the year						0.
c Add lines 7a and 7b						0.
8 Public support (Subtract line 7c from line 6)						48503113.

**Section B. Total Support**

Calendar year (or fiscal year beginning in) ►	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(f) Total
9 Amounts from line 6	8783476.	9197315.	10211646.	10090736.	10219940.	48503113.
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources	194,459.	224,815.	230,779.	194,559.	181,064.	1025676.
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975	0.	0.	0.	0.	0.	0.
c Add lines 10a and 10b	194,459.	224,815.	230,779.	194,559.	181,064.	1025676.
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income Do not include gain or loss from the sale of capital assets (Explain in Part IV)						
13 Total support (Add lines 9, 10c, 11, and 12)	8977935.	9422130.	10442425.	10285295.	10401004.	49528789.

14 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here ►

**Section C. Computation of Public Support Percentage**

15 Public support percentage for 2009 (line 8, column (f) divided by line 13, column (f))	15	97.93	%
16 Public support percentage from 2008 Schedule A, Part III, line 15	16	96.27	%

**Section D. Computation of Investment Income Percentage**

17 Investment income percentage for 2009 (line 10c, column (f) divided by line 13, column (f))	17	2.07	%
18 Investment income percentage from 2008 Schedule A, Part III, line 17	18	2.08	%
19a 33 1/3% support tests - 2009. If the organization did not check the box on line 14, and line 15 is more than 33 1/3%, and line 17 is not more than 33 1/3%, check this box and stop here. The organization qualifies as a publicly supported organization ► <input checked="" type="checkbox"/>			
b 33 1/3% support tests - 2008. If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3%, and line 18 is not more than 33 1/3%, check this box and stop here. The organization qualifies as a publicly supported organization ► <input type="checkbox"/>			
20 Private foundation. If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions ► <input type="checkbox"/>			

**Schedule D**  
(Form 990)Department of the Treasury  
Internal Revenue Service**Supplemental Financial Statements**

► Complete if the organization answered "Yes," to Form 990,  
Part IV, line 6, 7, 8, 9, 10, 11, or 12.  
► Attach to Form 990. ► See separate instructions.

OMB No 1545-0047

**2009**Open to Public  
Inspection

Name of the organization

AMERICAN COUNCIL ON EXERCISE

Employer identification number  
33-0123550**Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts.** Complete if the organization answered "Yes" to Form 990, Part IV, line 6

	(a) Donor advised funds	(b) Funds and other accounts
1 Total number at end of year		
2 Aggregate contributions to (during year)		
3 Aggregate grants from (during year)		
4 Aggregate value at end of year		
5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds can be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit?	<input type="checkbox"/> Yes	<input type="checkbox"/> No

**Part II Conservation Easements.** Complete if the organization answered "Yes" to Form 990, Part IV, line 7.

1 Purpose(s) of conservation easements held by the organization (check all that apply).	<input type="checkbox"/> Preservation of land for public use (e.g., recreation or pleasure) <input type="checkbox"/> Preservation of an historically important land area
	<input type="checkbox"/> Protection of natural habitat <input type="checkbox"/> Preservation of a certified historic structure
	<input type="checkbox"/> Preservation of open space
2 Complete lines 2a through 2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year	
a Total number of conservation easements	<b>Held at the End of the Tax Year</b>
2a	
2b	
2c	
2d	
3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the tax year ►	
4 Number of states where property subject to conservation easement is located ►	
5 Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds?	<input type="checkbox"/> Yes <input type="checkbox"/> No
6 Staff and volunteer hours devoted to monitoring, inspecting, and enforcing conservation easements during the year ►	
7 Amount of expenses incurred in monitoring, inspecting, and enforcing conservation easements during the year ► \$	
8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and section 170(h)(4)(B)(ii)?	<input type="checkbox"/> Yes <input type="checkbox"/> No
9 In Part XIV, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements.	

**Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets.**

Complete if the organization answered "Yes" to Form 990, Part IV, line 8.

1a If the organization elected, as permitted under SFAS 116, not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide, in Part XIV, the text of the footnote to its financial statements that describes these items.	
b If the organization elected, as permitted under SFAS 116, to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items:	
(i) Revenues included in Form 990, Part VIII, line 1	► \$ _____
(ii) Assets included in Form 990, Part X	► \$ _____
2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 relating to these items:	
a Revenues included in Form 990, Part VIII, line 1	► \$ _____
b Assets included in Form 990, Part X	► \$ _____

**Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets (continued)**

3 Using the organization's acquisition, accession, and other records, check any of the following that are a significant use of its collection items (check all that apply):

a  Public exhibition  
 b  Scholarly research  
 c  Preservation for future generations

d  Loan or exchange programs  
 e  Other \_\_\_\_\_

4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIV.

5 During the year, did the organization solicit or receive donations of art, historical treasures, or other similar assets

to be sold to raise funds rather than to be maintained as part of the organization's collection?

Yes

No

**Part IV Escrow and Custodial Arrangements.** Complete if organization answered "Yes" to Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

1a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X?

Yes

No

b If "Yes," explain the arrangement in Part XIV and complete the following table:

c Beginning balance  
 d Additions during the year  
 e Distributions during the year  
 f Ending balance

	Amount
1c	
1d	
1e	
1f	

2a Did the organization include an amount on Form 990, Part X, line 21?

Yes

No

b If "Yes," explain the arrangement in Part XIV.

**Part V Endowment Funds.** Complete if the organization answered "Yes" to Form 990, Part IV, line 10

1a Beginning of year balance  
 b Contributions  
 c Net investment earnings, gains, and losses  
 d Grants or scholarships  
 e Other expenditures for facilities and programs  
 f Administrative expenses  
 g End of year balance

	(a) Current year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1a					
b					
c					
d					
e					
f					
g					

2 Provide the estimated percentage of the year end balance held as:

a Board designated or quasi-endowment ► %  
 b Permanent endowment ► %  
 c Term endowment ► %

3a Are there endowment funds not in the possession of the organization that are held and administered for the organization by:

	Yes	No
3a(i)		
3a(ii)		
3b		

b If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R?

4 Describe in Part XIV the intended uses of the organization's endowment funds.

**Part VI Investments - Land, Buildings, and Equipment.** See Form 990, Part X, line 10.

Description of investment	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land		1,286,883.		1,286,883.
b Buildings		3,113,744.	1,297,393.	1,816,351.
c Leasehold improvements		81,081.	52,887.	28,194.
d Equipment		608,537.	444,976.	163,561.
e Other		1,395,768.	1,288,000.	107,768.
<b>Total. Add lines 1a through 1e. (Column (d) must equal Form 990, Part X, column (B), line 10(c))</b>			►	3,402,757.

Schedule D (Form 990) 2009

**Part VII Investments - Other Securities.** See Form 990, Part X, line 12.

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
Financial derivatives		
Closely-held equity interests		
Other _____		

**Total. (Col (b) must equal Form 990, Part X, col (B) line 12.) ►**

**Part VIII Investments - Program Related. See Form 990 Part X line 13**

**Part IX Other Assets** See Form 990, Part X, line 15

**Total. (Column (b) must equal Form 990, Part X, col (B) line 15 )**

**Part X Other Liabilities.** See Form 990, Part X, line 25.

**Total. (Column (b) must equal Form 990, Part X, col (B) line 25.)**

2. FIN 48 Footnote In Part XIV, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48

**Part XI Reconciliation of Change in Net Assets from Form 990 to Audited Financial Statements**

1 Total revenue (Form 990, Part VIII, column (A), line 12)	1	8,913,068.
2 Total expenses (Form 990, Part IX, column (A), line 25)	2	8,639,535.
3 Excess or (deficit) for the year. Subtract line 2 from line 1	3	273,533.
4 Net unrealized gains (losses) on investments	4	92,536.
5 Donated services and use of facilities	5	
6 Investment expenses	6	
7 Prior period adjustments	7	
8 Other (Describe in Part XIV.)	8	
9 Total adjustments (net). Add lines 4 through 8	9	92,536.
10 Excess or (deficit) for the year per audited financial statements. Combine lines 3 and 9	10	366,069.

**Part XII Reconciliation of Revenue per Audited Financial Statements With Revenue per Return**

1 Total revenue, gains, and other support per audited financial statements	1	10,637,931.
2 Amounts included on line 1 but not on Form 990, Part VIII, line 12:		
a Net unrealized gains on investments	2a	92,536.
b Donated services and use of facilities	2b	
c Recoveries of prior year grants	2c	
d Other (Describe in Part XIV.)	2d	1,632,327.
e Add lines 2a through 2d	2e	1,724,863.
3 Subtract line 2e from line 1	3	8,913,068.
4 Amounts included on Form 990, Part VIII, line 12, but not on line 1:		
a Investment expenses not included on Form 990, Part VIII, line 7b	4a	
b Other (Describe in Part XIV.)	4b	
c Add lines 4a and 4b	4c	0.
5 Total revenue. Add lines 3 and 4c. (This must equal Form 990, Part I, line 12.)	5	8,913,068.

**Part XIII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return**

1 Total expenses and losses per audited financial statements	1	10,271,862.
2 Amounts included on line 1 but not on Form 990, Part IX, line 25:		
a Donated services and use of facilities	2a	
b Prior year adjustments	2b	
c Other losses	2c	
d Other (Describe in Part XIV.)	2d	1,632,327.
e Add lines 2a through 2d	2e	1,632,327.
3 Subtract line 2e from line 1	3	8,639,535.
4 Amounts included on Form 990, Part IX, line 25, but not on line 1:		
a Investment expenses not included on Form 990, Part VIII, line 7b	4a	
b Other (Describe in Part XIV.)	4b	
c Add lines 4a and 4b	4c	0.
5 Total expenses. Add lines 3 and 4c. (This must equal Form 990, Part I, line 18.)	5	8,639,535.

**Part XIV Supplemental Information**

Complete this part to provide the descriptions required for Part II, lines 3, 5, and 9; Part III, lines 1a and 4, Part IV, lines 1b and 2b, Part V, line 4; Part X, line 2; Part XI, line 8; Part XII, lines 2d and 4b; and Part XIII, lines 2d and 4b. Also complete this part to provide any additional information.

**PART XII, LINE 2D:**

**COST OF GOODS SOLD:** \$1,632,327

**PART XIII, LINE 2D:**

**COST OF GOODS SOLD:** \$1,632,327

**AMERICAN COUNCIL ON EXERCISE ADOPTED NEW PROVISIONS OF ACCOUNTING****STANDARDS CODIFICATION 740-10, INCOME TAXES, RELATED TO ACCOUNTING FOR**

**Part XIV Supplemental Information (continued)**

UNCERTAIN TAX POSITIONS AS OF JULY 1, 2009. NO ADJUSTMENT TO NET ASSETS  
WAS REQUIRED UPON THE ADOPTION OF THE NEW PROVISIONS AS AMERICAN COUNCIL  
ON EXERCISE HAD NO UNRECOGNIZED TAX BENEFITS OR LIABILITIES AS OF JUNE 30,  
2010 AND 2009. AMERICAN COUNCIL ON EXERCISE FILES AN EXEMPT ORGANIZATION  
RETURN IN THE UNITED STATES FEDERAL JURISDICTION AND WITH THE FRANCHISE  
TAX BOARD IN THE STATE OF CALIFORNIA. AMERICAN COUNCIL ON EXERCISE IS NO  
LONGER SUBJECT TO INCOME TAX EXAMINATIONS BY TAXING AUTHORITIES FOR THE  
YEARS BEFORE 2006 FOR ITS FEDERAL FILINGS AND FOR YEARS BEFORE 2005 FOR  
ITS STATE FILINGS.

**SCHEDULE J**  
**(Form 990)**Department of the Treasury  
Internal Revenue Service**Compensation Information**For certain Officers, Directors, Trustees, Key Employees, and Highest  
Compensated Employees

► Complete if the organization answered "Yes" to Form 990,  
Part IV, line 23.  
► Attach to Form 990. ► See separate instructions.

OMB No 1545-0047

**2009**Open to Public  
Inspection

Name of the organization

**AMERICAN COUNCIL ON EXERCISE**

Employer identification number

33-0123550

**Part I Questions Regarding Compensation**

1a Check the appropriate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a. Complete Part III to provide any relevant information regarding these items.

<input type="checkbox"/> First-class or charter travel	<input type="checkbox"/> Housing allowance or residence for personal use
<input type="checkbox"/> Travel for companions	<input type="checkbox"/> Payments for business use of personal residence
<input type="checkbox"/> Tax indemnification and gross-up payments	<input type="checkbox"/> Health or social club dues or initiation fees
<input type="checkbox"/> Discretionary spending account	<input type="checkbox"/> Personal services (e.g., maid, chauffeur, chef)

**Yes****No**

1b If any of the boxes on line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all of the expenses described above? If "No," complete Part III to explain

2 Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all officers, directors, trustees, and the CEO/Executive Director, regarding the items checked in line 1a?

**1b****2**

3 Indicate which, if any, of the following the organization uses to establish the compensation of the organization's CEO/Executive Director. Check all that apply

<input checked="" type="checkbox"/> Compensation committee	<input type="checkbox"/> Written employment contract
<input checked="" type="checkbox"/> Independent compensation consultant	<input checked="" type="checkbox"/> Compensation survey or study
<input checked="" type="checkbox"/> Form 990 of other organizations	<input checked="" type="checkbox"/> Approval by the board or compensation committee

4 During the year, did any person listed in Form 990, Part VII, Section A, line 1a, with respect to the filing organization or a related organization:

a Receive a severance payment or change-of-control payment?  
b Participate in, or receive payment from, a supplemental nonqualified retirement plan?  
c Participate in, or receive payment from, an equity-based compensation arrangement?

If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III.

**4a****X****4b****X****4c****X****Only section 501(c)(3) and 501(c)(4) organizations must complete lines 5-9.**

5 For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of:

a The organization?

**5a****X**

b Any related organization?

**5b****X**

If "Yes" to line 5a or 5b, describe in Part III

6 For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of:

a The organization?

**6a****X**

b Any related organization?

**6b****X**

If "Yes" to line 6a or 6b, describe in Part III.

7 For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III!

**7****X**

8 Were any amounts reported in Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regs. section 53.4958-4(a)(3)? If "Yes," describe in Part III

**8****X**

9 If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)?

**9****X**

LHA For Privacy Act and Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule J (Form 990) 2009

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02-02-10

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2009.04020 AMERICAN COUNCIL ON EXERCISE 33058\_1

**Part II** Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees. Use Schedule J-1 if additional space is needed

For each individual whose compensation must be reported in Schedule J, report compensation from the organization on row (i) and from related organizations, described in the instructions, on row (ii). Do not list any individuals that are not listed on Form 990, Part VII

**Note.** The sum of columns (B)(i)-(ii) must equal the applicable column (D) or column (E) amounts on Form 990, Part VII, line 1a

(A) Name	(B) Breakdown of W-2 and/or 1099-MiSC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
	(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
SCOTT GOODESEUNE	(i) 269,132.	0.	13,223.	4,484.	17,796.	304,635.	0.
	(ii) 0.	0.	0.	0.	0.	0.	0.
(iii) 241,463.	0.	11,570.	0.	17,836.	270,869.	0.	0.
ALEX MIRNEZAM	(i) 0.	0.	0.	0.	0.	0.	0.
	(ii) 233,648.	0.	11,570.	6,202.	17,836.	269,256.	0.
(iii) 0.	0.	0.	0.	0.	0.	0.	0.
CEDRIC BRYANT	(i) 172,288.	0.	5,234.	5,012.	4,391.	186,925.	0.
	(ii) 0.	0.	0.	0.	0.	0.	0.
(iii) 143,925.	0.	0.	0.	4,212.	4,729.	152,866.	0.
RACHELLE DEAL	(i) 0.	0.	0.	0.	0.	0.	0.
	(ii) 0.	0.	0.	0.	0.	0.	0.
(iii) 0.	0.	0.	0.	0.	0.	0.	0.
	(i) 0.	0.	0.	0.	0.	0.	0.
(ii) 0.	0.	0.	0.	0.	0.	0.	0.
(iii) 0.	0.	0.	0.	0.	0.	0.	0.
	(i) 0.	0.	0.	0.	0.	0.	0.
(ii) 0.	0.	0.	0.	0.	0.	0.	0.
(iii) 0.	0.	0.	0.	0.	0.	0.	0.
	(i) 0.	0.	0.	0.	0.	0.	0.
(ii) 0.	0.	0.	0.	0.	0.	0.	0.
(iii) 0.	0.	0.	0.	0.	0.	0.	0.
	(i) 0.	0.	0.	0.	0.	0.	0.
(ii) 0.	0.	0.	0.	0.	0.	0.	0.
(iii) 0.	0.	0.	0.	0.	0.	0.	0.
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(iii) 0.	0.	0.	0.	0.	0.	0.	0.
	(i) 0.	0.	0.	0.	0.	0.	0.
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(iii) 0.	0.	0.	0.	0.	0.	0.	0.
	(i) 0.	0.	0.	0.	0.	0.	0.
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(ii) 0.	0.	0.	0.	0.	0.	0.	0.
(iii) 0.	0.	0.	0.	0.	0.	0.	0.
	(i) 0.	0.	0.	0.	0.	0.	0.
(ii) 0.	0.	0.	0.	0.	0.	0.	0.
(iii) 0.	0.	0.	0.	0.	0.	0.	0.
	(i) 0.	0.	0.	0.	0.	0.	0.
(ii) 0.	0.	0.	0.	0.	0.	0.	0.
(iii) 0.	0.	0.	0.	0.	0.	0.	0.
	(i) 0.	0.	0.	0.	0.	0.	0.
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	(i) 0.	0.	0.	0.	0.	0.	0.
(ii) 0.	0.	0.	0.	0.	0.	0.	0.
(iii) 0.	0.	0.	0.	0.	0.	0.	0.
	(i) 0.	0.	0.	0.	0.	0.	0.
(ii) 0.	0.	0.	0.	0.	0.	0.	0.
(iii) 0.	0.	0.	0.	0.	0.	0.	0.
	(i) 0.	0.	0.	0.	0.	0.	0.
(ii) 0.	0.	0.	0.	0.	0.	0.	0.
(iii) 0.	0.	0.	0.	0.	0.	0.	0.
	(i) 0.	0.	0.	0.	0.	0.	0.
(ii) 0.	0.	0.	0.	0.	0.	0.	0.
(iii) 0.	0.	0.	0.	0.	0.	0.	0.
	(i) 0.	0.	0.	0.	0.	0.	0.
(ii) 0.	0.	0.	0.	0.	0.	0.	0.
(iii) 0.	0.	0.	0.	0.	0.	0.	0.
	(i) 0.	0.	0.	0.	0.	0.	0.
(ii) 0.	0.	0.	0.	0.	0.	0.	0.
(iii) 0.	0.	0.	0.	0.	0.	0.	0.
	(i) 0.	0.	0.	0.	0.	0.	0.
(ii) 0.	0.	0.	0.	0.	0.	0.	0.
(iii) 0.	0.	0.	0.	0.	0.	0.	0.
	(i) 0.	0.	0.	0.	0.	0.	0.
(ii) 0.	0.	0.	0.	0.	0.	0.	0.
(iii) 0.	0.	0.	0.	0.	0.	0.	0.
	(i) 0.	0.	0.	0.	0.	0.	0.
(ii) 0.	0.	0.	0.	0.	0.	0.	0.
(iii) 0.	0.	0.	0.	0.	0.	0.	0.
	(i) 0.	0.	0.	0.	0.	0.	0.
(ii) 0.	0.	0.	0.	0.	0.	0.	0.
(iii)							

Complete this part to provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 4c, 5a, 5b, 6a, 6b, 7, and 8. Also complete this part for any additional information.

**PART I, LINE 7: SCHEDULE J, PART I, LINE 7:**

**NON-FIXED PAYMENTS RECEIVED BY LISTED PERSONS ON SCHEDULE J, PART II  
REPRESENT DISCRETIONARY BONUSES BASED ON MEETING GOALS AND OBJECTIVES WHICH  
ARE SET BY THE COMPENSATION COMMITTEE AND APPROVED BY THE BOARD OF  
DIRECTORS.**

**SCHEDULE O**  
(Form 990)

Department of the Treasury  
Internal Revenue Service

**Supplemental Information to Form 990**

Complete to provide information for responses to specific questions on  
Form 990 or to provide any additional information.  
► Attach to Form 990.

OMB No 1545-0047

**2009**  
Open to Public  
Inspection

Name of the organization

AMERICAN COUNCIL ON EXERCISE

Employer identification number  
33-0123550

**FORM 990, PART I, LINE 1, DESCRIPTION OF ORGANIZATION MISSION:**

ORGANIZATION, IS A NONPROFIT ORGANIZATION DEDICATED TO PROMOTING THE  
BENEFITS OF PHYSICAL ACTIVITY AND PROTECTING CONSUMERS AGAINST UNSAFE  
AND INEFFECTIVE FITNESS PRODUCTS AND INSTRUCTION.

**FORM 990, PART III, LINE 1, DESCRIPTION OF ORGANIZATION MISSION:**

PROGRAMS, AND TRENDS THROUGH ITS ONGOING PUBLIC EDUCATION, OUTREACH AND  
RESEARCH. ACE FURTHER PROTECTS THE PUBLIC BY SETTING CERTIFICATION AND  
CONTINUING EDUCATION STANDARDS FOR FITNESS PROFESSIONALS.

**FORM 990, PART III, LINE 4D, OTHER PROGRAM SERVICES:**

INSTRUCTOR RENEWAL FEES IS A FOURTH PROGRAM WHICH IS FEES RECEIVED FROM  
EXISTING PROFESSIONALS THAT RENEW THEIR CERTIFICAITON FOR AN ADDITIONAL  
TWO YEAR PERIOD. OTHER PROGRAMS INCLUDE MEMBERSHIP FEES. CONTINUING  
EDUCATION PROVIDER LIST - LIST OF COMPANIES, INSTRUCTORS, ETC. THAT  
HAVE QUALIFIED UNDER GUIDELINES SET BY FOUNDATION & ADVISORY BOARD TO  
PROVIDE C.E. FOR INSTRUCTORS AND EDUCATIONAL TRAINING CLASSES.

APPROXIMATELY 6,893 PEOPLE SERVED IN THE CURRENT YEAR. EXAM INFORMATION  
PACKETS - PROVIDED TO THOSE TAKING THE EXAM, INCLUDES EXAM PREPARATION  
INFO & SAMPLE QUESTIONS. APPROXIMATELY 44,248 PACKETS DISTRIBUTED.

CERTIFICATION EXAM - OFFER EXAM TO CERTIFY INSTRUCTORS OF DANCE  
EXERCISE AND PERSONAL EXERCISE TRAINING. IN CURRENT YEAR 12,470  
CERTIFICATION EXAMS WERE GIVEN. RESOURCE CENTER - OFFERS FREE  
INFORMATION ON FITNESS & HEALTH ISSUES. APPROXIMATELY 20,055 PACKETS  
WERE DISTRIBUTED IN THE CURRENT YEAR.

EXPENSES \$ 1152038. INCLUDING GRANTS OF \$ 0. REVENUE \$ 1549351.

LHA For Privacy Act and Paperwork Reduction Act Notice, see the Instructions for Form 990.  
932211  
02-03-10

Schedule O (Form 990) 2009

SCHEDULE O  
(Form 990)

Department of the Treasury  
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FORM 990, PART VI, SECTION B, LINE 11: FORM 990 WAS PREPARED BY AN  
INDEPENDENT CPA FIRM, REVIEWED BY THE CFO, AND THEN REVIEWED BY THE AUDIT  
COMMITTEE WHO RECOMMENDS APPROVAL BY THE BOARD.

FORM 990, PART VI, SECTION B, LINE 12C: ALL BOARD MEMBERS AND ACE STAFF  
ARE REQUIRED TO ANNUALLY COMPLETE A CONFLICT OF INTEREST DISCLOSURE FORM.  
THE BOARD REVIEWS ALL BOARD MEMBER DISCLOSURES AS WELL AS THE CEO AND CFO.  
CEO AND CFO REVIEW ACE EMPLOYEE DISCLOSURES. AT EACH BOARD MEETING, MEMBERS  
ARE REMINDED OF CONFLICT OF INTEREST POLICIES AND ASKED IF THEY ARE AWARE  
OF ANY CONFLICTS. IF A CONFLICT ARISES, THAT BOARD MEMBER CANNOT VOTE ON  
THE TRANSACTION.

FORM 990, PART VI, SECTION B, LINE 15: WITH RESPECT TO THE CEO, A  
COMPENSATION ANALYSIS IS PERFORMED BY AN INDEPENDENT PARTY ANNUALLY WHICH  
TAKES MARKET DATA FROM SEVERAL PUBLISHED SURVEYS AND MARKET PRICES OUR  
PRESIDENT POSITION BASED ON JOB RESPONSIBILITIES AND CORPORATE INFORMATION.  
THE COMPENSATION COMMITTEE REVIEWS THE REPORT AND MAKES RECOMMENDATIONS TO  
THE BOARD OF DIRECTORS. COMPENSATION IS APPROVED BY INDEPENDANT BOARD  
MEMBERS AND IS CONTEMPORANEOUSLY DOCUMENTED. THIS PROCESS WAS LAST DONE  
6/11/09.

A COMPENSATION ANALYSIS IS PERFORMED BY AN INDEPENDENT PARTY ANNUALLY WHICH  
TAKES MARKET DATA FROM SEVERAL PUBLISHED SURVEYS AND MARKET PRICES ALL OF  
OUR CFO AND KEY EMPLOYEE POSITIONS BASED ON JOB RESPONSIBILITIES AND  
CORPORATE INFORMATION. THE CFO AND PRESIDENT REVIEW THE REPORT AND MAKES

**SCHEDULE O**  
(Form 990)

Department of the Treasury  
Internal Revenue Service

**Supplemental Information to Form 990**

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Name of the organization

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RECOMMENDATIONS TO THE BOARD OF DIRECTORS FOR KEY EMPLOYEES. THE COMPENSATION COMMITTEE REVIEWS THE REPORT FOR CFO AND MAKES RECOMENDATIONS TO THE BOARD. COMPENSATION FOR THE CFO AND KEY EMPLOYEES IS APPROVED BY INDEPENDANT BOARD MEMBERS AND IS CONTEMPORANEOUSLY DOCUMENTED. THIS PROCESS WAS LAST DONE 6/11/09.

FORM 990, PART VI, SECTION C, LINE 19: THE ORGANIZATION MAKES ITS FINANCIAL STATEMENTS AVAILABLE ON THEIR WEBSITE AND THE CONFLICT OF INTEREST POLICY AND ORGANIZATIONAL DOCUMENTS AVAILABLE TO THE PUBLIC UPON REQUEST.

STATEMENT WITH REGARD TO FUNDRAISING EXPENSE:

THIS ORGANIZATION RECEIVES THE MAJORITY OF ITS INCOME FROM PROGRAM SERVICES, THUS, THE ORGANIZATION DOES NOT INCUR FUNDRAISING EXPENSES.