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Form 990

Department of the Treasury
Internal Revenue Service

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

2011

Open to Public
Inspection

A For the 2011 calendar year, or tax year beginning JUL 1, 2011 and ending JUN 30, 2012

B Check if applicable	C Name of organization AMERICAN COUNCIL ON EXERCISE		D Employer identification number 33-0123550
Address change Name change Initial return Terminated Amended return Application pending		E Telephone number (858) 279-8227	
Doing Business As Number and street (or P.O. box if mail is not delivered to street address) 4851 PARAMOUNT DRIVE		Room/suite	G Gross receipts \$ 13,736,734.
City or town, state or country, and ZIP + 4 SAN DIEGO, CA 92123			H(a) Is this a group return for affiliates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
F Name and address of principal officer: ALEX MIRNEZAM SAME AS C ABOVE		H(b) Are all affiliates included? <input type="checkbox"/> Yes <input type="checkbox"/> No If "No," attach a list. (see instructions)	
I Tax-exempt status: <input checked="" type="checkbox"/> 501(c)(3) <input type="checkbox"/> 501(c) () (insert no.) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527		H(c) Group exemption number ►	
J Website: ► WWW.ACEFITNESS.COM		K Form of organization: <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other ► L Year of formation: 1986 M State of legal domicile: CA	

Part I Summary

Activities & Governance	1 Briefly describe the organization's mission or most significant activities: THE AMERICAN COUNCIL ON EXERCISE IS A NON-PROFIT ORGANIZATION COMMITTED TO ENRICHING QUALITY OF LIFE	
	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)	12
	4 Number of independent voting members of the governing body (Part VI, line 1b)	12
	5 Total number of individuals employed in calendar year 2011 (Part V, line 2a)	64
	6 Total number of volunteers (estimate if necessary)	25
	7a Total unrelated business revenue from Part VIII, column (C), line 12	139,129.
	b Net unrelated business taxable income from Form 990-T, line 34	-8,821.
Expenses	8 Contributions and grants (Part VIII, line 1h)	112. 245.
	9 Program service revenue (Part VIII, line 2g)	6,698,119. 7,560,166.
	10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)	44,427. 26,721.
	11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	3,720,725. 3,768,385.
	12 Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)	10,463,383. 11,355,517.
Net Assets or Fund Balances	13 Grants and similar amounts paid (Part IX, column (A), lines 1-3)	0. 0.
	14 Benefits paid to or for members (Part IX, column (A), line 4)	0. 0.
	15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)	4,835,132. 5,388,859.
	16a Professional fundraising fees (Part IX, column (A), line 11e)	0. 0.
	b Total fundraising expenses (Part IX, column (D), line 25) ► 0.	
	17 Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e)	5,353,929. 5,595,512.
	18 Total expenses Add lines 13-17 (must equal Part IX, column (A), line 25)	10,189,061. 10,984,371.
	19 Revenue less expenses. Subtract line 18 from line 12	274,322. 371,146.
		BEGINNING OF CURRENT YEAR END OF YEAR
	20 Total assets (Part X, line 16)	10,548,221. 10,084,289.
	21 Total liabilities (Part X, line 26)	3,459,135. 2,635,577.
	22 Net assets or fund balances. Subtract line 21 from line 20	7,089,086. 7,448,712.

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 <i>Alex Mirnezam</i>	Date <i>11/19/12</i>			
	► ALEX MIRNEZAM, C.F.O.				
	Type or print name and title				
Paid Preparer	Print/Type preparer's name PATRICIA J. MAYER	Preparer's signature <i>Patricia J. Mayer</i>	Date <i>11/8/12</i>	Check <input type="checkbox"/> if self-employed	PTIN P00188643
Use Only	Firm's name ► MOSS ADAMS LLP		Firm's EIN ► 91-0189318		
	Firm's address ► 9665 GRANITE RIDGE DRIVE, SUITE 600 SAN DIEGO, CA 92123			Phone no.	858-627-1400

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

132001 01-23-12 LHA For Paperwork Reduction Act Notice, see the separate instructions.

Form 990 (2011)

SEE SCHEDULE O FOR ORGANIZATION MISSION STATEMENT CONTINUATION

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Part III Statement of Program Service Accomplishments

Check if Schedule O contains a response to any question in this Part III

1 Briefly describe the organization's mission:

THE AMERICAN COUNCIL ON EXERCISE IS A NON-PROFIT ORGANIZATION COMMITTED TO ENRICHING QUALITY OF LIFE THROUGH SAFE AND EFFECTIVE EXERCISE AND PHYSICAL ACTIVITY. AS AMERICA'S AUTHORITY ON FITNESS, ACE PROTECTS ALL SEGMENTS OF SOCIETY AGAINST INEFFECTIVE FITNESS PRODUCTS,

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? Yes No

If "Yes," describe these new services on Schedule O.

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? Yes No
If "Yes," describe these changes on Schedule O.

4 Describe the organization's program service accomplishments for each of its three largest program services, as measured 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 \$ 5,225,019. including grants of \$) (Revenue \$ 8,541,542.)

-CERTIFICATION: FEES CHARGED FOR TAKING CERTIFICATION EXAMINATIONS.**OTHER EXPENSES INCLUDING EXAM DEVELOPMENT COSTS AND ITEM WRITING MEETINGS.****-EDUCATIONAL MATERIALS AND TRAINING MANUALS: PUBLISHING AND SELLING VARIOUS EDUCATIONAL AND TRAINING MANUALS FOR EXERCISE PROFESSIONALS, AND RELATED SHIPPING AND HANDLING.****-CONTINUING EDUCATION FEES: FEES RECEIVED FOR ONLINE AND IN PERSON EDUCATIONAL WORKSHOPS AND PROCESSING FEES FOR CONTINUING EDUCATION QUIZZES.**

4b (Code) (Expenses \$ 1,547,459. including grants of \$) (Revenue \$ 2,529,691.)

INSTRUCTOR RENEWAL FEES IS A FOURTH PROGRAM WHICH IS FEES RECEIVED FROM EXISTING PROFESSIONALS THAT RENEW THEIR CERTIFICATION 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 8,753 PEOPLE SERVED IN THE CURRENT YEAR. EXAM INFORMATION PACKETS - PROVIDED TO THOSE TAKING THE EXAM, INCLUDES EXAM PREPARATION INFO & SAMPLE QUESTIONS. APPROXIMATELY 56,186 PACKETS DISTRIBUTED.****CERTIFICATION EXAM - OFFER EXAM TO CERTIFY INSTRUCTORS OF DANCE EXERCISE AND PERSONAL EXERCISE TRAINING. IN CURRENT YEAR 12,630 CERTIFICATION EXAMS WERE GIVEN. RESOURCE CENTER - OFFERS FREE**

4c (Code) (Expenses \$ 1,693,119. including grants of \$) (Revenue \$)

CONSUMER OUTREACH**ACE TOUCHES THE PUBLIC IN A MULTITUDE OF WAYS- THROUGH OUR MORE THAN 52,000 FITNESS PROFESSIONALS, SCIENCE-BASED RESEARCH, AND DIRECT COMMUNICATIONS WITH THE PUBLIC. IN THE CONTEXT OF ELIMINATING THE OBESITY EPIDEMIC BY 2035, THIS YEAR ACE EXPANDED ITS REACH USING CURRENT EVENTS AND PARTNERSHIPS WITH WELL-ESTABLISHED COMPANIES AND OTHER NONPROFIT ORGANIZATIONS TO HELP COMMUNICATE THE IMPORTANCE OF PHYSICAL ACTIVITY AND HEALTHY EATING.****CORPORATE ENDEAVORS****CORPORATE PARTNERSHIPS CONTINUE TO BE AN EFFECTIVE WAY TO COMBINE RESOURCES AND COMMUNICATE WITH THE PUBLIC ON A NATIONAL SCALE. THIS**

4d Other program services (Describe in Schedule O)

(Expenses \$ including grants of \$) (Revenue \$)

4e Total program service expenses ► 8,465,597.

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Part IV Checklist of Required Schedules

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, or have a section 501(h) election in effect during the tax year? If "Yes," complete Schedule C, Part II

5 Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? If "Yes," complete Schedule C, Part III

6 Did the organization maintain any donor advised funds or any similar funds or accounts for which 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 temporarily restricted endowments, permanent endowments, or quasi-endowments? If "Yes," complete Schedule D, Part V

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

a Did the organization report an amount for land, buildings, and equipment in Part X, line 10? If "Yes," complete Schedule D, Part VI

b 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

c 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

d 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

e Did the organization report an amount for other liabilities in Part X, line 25? If "Yes," complete Schedule D, Part X

f 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 (ASC 740)? If "Yes," complete Schedule D, Part X

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

b Was the organization included in consolidated, independent audited financial statements for the tax year?
If "Yes," and if the organization answered "No" to line 12a, then 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, investment, and program service activities outside the United States, or aggregate foreign investments valued at \$100,000 or more? If "Yes," complete Schedule F, Parts I and IV

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, Parts II and IV

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, Parts III and IV

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

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

b If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return?

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

Part IV Checklist of Required Schedules (continued)

	Yes	No
21		X
22		X
23	X	
24a		X
24b		
24c		
24d		
25a	X	
25b	X	
26	X	
27	X	
28a		X
28b	X	
28c		X
29		X
30		X
31		X
32		X
33		X
34		X
35a		X
35b		X
36		X
37		X
38	X	

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Part V Statements Regarding Other IRS Filings and Tax ComplianceCheck if Schedule O contains a response to any question in this Part V

		Yes	No
1a	Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable	1a	86
1b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable	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	64
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 (see instructions)</i>	2b	X
3a	Did the organization have unrelated business gross income of \$1,000 or more during the year?	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)? b If "Yes," enter the name of the foreign country: <input type="text"/> <i>See instructions for filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.</i>	4a	X
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?	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	Organizations that may receive deductible contributions under section 170(c).	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 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	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?	7h	
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?	8	
8	Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations. 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	Sponsoring organizations maintaining donor advised funds.	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	Section 501(c)(7) organizations. 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	Section 501(c)(12) organizations. Enter:	12b	
a	Gross income from members or shareholders	13a	
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them.)	13b	
12a	Section 4947(a)(1) non-exempt charitable trusts. Is the organization filing Form 990 in lieu of Form 1041?	13c	
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year	14a	X
13	Section 501(c)(29) qualified nonprofit health insurance issuers.	14b	
a	Is the organization licensed to issue qualified health plans in more than one state? <i>Note. See the instructions for additional information the organization must report on Schedule O.</i>	14a	X
b	Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans	14b	
c	Enter the amount of reserves on hand	14b	
14a	Did the organization receive any payments for indoor tanning services during the tax year?	14a	X
b	If "Yes," has it filed a Form 720 to report these payments? If "No," provide an explanation in Schedule O	14b	

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.

Check if Schedule O contains a response to any question in this Part VI

Section A. Governing Body and Management

		Yes	No
1a	Enter the number of voting members of the governing body at the end of the tax year If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain in Schedule O.	1a 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	<input checked="" type="checkbox"/>
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	<input checked="" type="checkbox"/>
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?	4	<input checked="" type="checkbox"/>
5	Did the organization become aware during the year of a significant diversion of the organization's assets?	5	<input checked="" type="checkbox"/>
6	Did the organization have members or stockholders?	6	<input checked="" type="checkbox"/>
7a	Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?	7a	<input checked="" type="checkbox"/>
b	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?	7b	<input checked="" type="checkbox"/>
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:	8a 8b	<input checked="" type="checkbox"/>
a	The governing body?	8a	<input checked="" type="checkbox"/>
b	Each committee with authority to act on behalf of the governing body?	8b	<input checked="" type="checkbox"/>
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	<input checked="" type="checkbox"/>

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

		Yes	No
10a	Did the organization have local chapters, branches, or affiliates?	10a	<input checked="" type="checkbox"/>
b	If "Yes," did the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with the organization's exempt purposes?	10b	
11a	Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form?	11a	<input checked="" type="checkbox"/>
b	Describe in Schedule O the process, if any, used by the organization to review this Form 990.	12a 12b	<input checked="" type="checkbox"/>
12a	Did the organization have a written conflict of interest policy? If "No," go to line 13	12a	<input checked="" type="checkbox"/>
b	Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	12b	<input checked="" type="checkbox"/>
c	Did the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this was done	12c	<input checked="" type="checkbox"/>
13	Did the organization have a written whistleblower policy?	13	<input checked="" type="checkbox"/>
14	Did the organization have a written document retention and destruction policy?	14	<input checked="" type="checkbox"/>
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?	15a 15b	<input checked="" type="checkbox"/>
a	The organization's CEO, Executive Director, or top management official	15a	<input checked="" type="checkbox"/>
b	Other officers or key employees of the organization If "Yes" to line 15a or 15b, describe the process in Schedule O (see instructions).	15b	<input checked="" type="checkbox"/>
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	<input checked="" type="checkbox"/>
b	If "Yes," did the organization follow a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and take 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 (Section 501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply. <input type="checkbox"/> Own website <input type="checkbox"/> Another's website <input checked="" type="checkbox"/> Upon request
19	Describe in Schedule O whether (and if so, how), the organization made its governing documents, conflict of interest policy, and financial statements available to the public during the tax year.
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

 Check if Schedule O contains a response to any question in this Part VII
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.

- 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, if any. 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 neither the organization nor any related organization compensated any current officer, director, or trustee.

(A) Name and Title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)					(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			
(1) CHRIS FREYTAG BOARD CHAIR	4.00	X		X			0.	0.	400.
(2) LORNA FRIEDMAN VICE-CHAIR	2.00	X		X			0.	0.	0.
(3) HERB FLENTYE TREASURER	2.00	X		X			0.	0.	0.
(4) SCOTT MURDOCH SECRETARY	1.00	X		X			0.	0.	0.
(5) TED VICKEY BOARD MEMBER	2.00	X					0.	0.	300.
(6) JOHN MARTINEZ BOARD MEMBER	1.00	X					0.	0.	0.
(7) MANUEL RODRIGUEZ BOARD MEMBER	1.00	X					0.	0.	0.
(8) ELLIOT TURRINI BOARD MEMBER	1.00	X					0.	0.	0.
(9) KIMBERLY WELLS BOARD MEMBER	1.00	X					0.	0.	0.
(10) WOJTEK CHODZKO-ZAJKO EMERITUS BOARD MEMBER	1.00	X					0.	0.	0.
(11) MICHELLE STANTEN BOARD MEMBER	1.00	X					0.	0.	0.
(12) NANCY TREVANIAN TSAI BOARD MEMBER	2.00	X					0.	0.	0.
(13) SAMANTHA LINCOLN BOARD MEMBER	1.00	X					0.	0.	0.
(14) ASH HAYES EMERITUS BOARD MEMBER	1.00	X					0.	0.	0.
(15) SCOTT GOUDSEUNE PRESIDENT & CEO	70.00			X			362,925.	0.	18,856.
(16) ALEX MIRNEZAM CHIEF FINANCIAL OFFICER	65.00			X			300,063.	0.	16,693.
(17) JANET FRENKEL CHIEF OPERATING OFFICER	70.00			X			231,026.	0.	13,979.

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

(A) Name and title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)					(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			
(18) CEDRIC BRYANT CHIEF SCIENCE OFFICER	70.00			X			279,734.	0.	30,329.
(19) GRAHAM MELSTRAND VP OF CORPORATE AFFAIRS	45.00			X			207,508.	0.	10,818.
(-20) AMANDA CASS SENIOR DIRECTOR OF FINANCE/HR	55.00			X			132,092.	0.	13,454.
(21) LEE RAMSEY DIRECTOR OF ONLINE BUSINESS & TECHNO	45.00			X			153,818.	0.	8,901.
1b Sub-total							1,667,166.	0.	113,730.
c Total from continuation sheets to Part VII, Section A							0.	0.	0.
d Total (add lines 1b and 1c)							1,667,166.	0.	113,730.

2 Total number of individuals (including but not limited to those listed above) who received more than \$100,000 of reportable compensation from the organization ► 7

	Yes	No
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	3	X
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	4	X
5 Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? If "Yes," complete Schedule J for such person	5	X

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. Report compensation for the calendar year ending with or within the organization's tax year.

(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	1,070,732.
IDEA, 10455 PACIFIC CENTER COURT, SAN DIEGO, CA 92121	MAGAZINE PUBLISHER	1,053,198.
HEALTHY LEARNING P.O. BOX 1828, MONTEREY, CA 93942	PUBLISHER	822,411.
FEDERAL EXPRESS P.O. BOX 7221, PASADENA, CA 91109	SHIPPING & HANDLING	330,099.
IPC PRINT SERVICES 2179 MAIDEN LANE, ST. JOSEPH, MI 49085	PRINTER	253,777.

2 Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 of compensation from the organization ► 8

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, Grants and Other Similar Amounts	1 a Federated campaigns b Membership dues c Fundraising events d Related organizations e Government grants (contributions) f All other contributions, gifts, grants, and similar amounts not included above g Noncash contributions included in lines 1a-1f \$ h Total. Add lines 1a-1f	1a 1b 1c 1d 1e 1f 245.			
Program Service Revenue	2 a CERTIFICATION FEES b RENEWAL FEES c CONTINUING EDUCATION d MEMBERSHIP FEES e f All other program service revenue g Total. Add lines 2a-2f	Business Code 900099 900099 900099 900099 900099 7,560,166.	3,075,225. 2,529,691. 1,942,742. 12,508.	3,075,225. 2,529,691. 1,942,742. 12,508.	
Other Revenue	3 Investment income (including dividends, interest, and other similar amounts) 4 Income from investment of tax-exempt bond proceeds 5 Royalties 6 a Gross rents b Less: rental expenses c Rental income or (loss) d Net rental income or (loss) 7 a Gross amount from sales of assets other than inventory b Less: cost or other basis and sales expenses c Gain or (loss) d Net gain or (loss) 8 a Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c). See Part IV, line 18 b Less: direct expenses c Net income or (loss) from fundraising events 9 a Gross income from gaming activities. See Part IV, line 19 b Less: direct expenses c Net income or (loss) from gaming activities 10 a Gross sales of inventory, less returns and allowances b Less: cost of goods sold c Net income or (loss) from sales of inventory 11 a MAILING LIST RENTAL b ADVERTISING c d All other revenue e Total. Add lines 11a-11d 12 Total revenue. See instructions.	(i) Real 643,462. 658,914. -15,452. a b a b a b a b a b Business Code 518210 541800 138,747. 382. 139,129. 11355517. 11071233. 139,129. 144,910.	42,173. 118,189. -15,452. 3,511,067.	42,173. 118,189. -15,452. 3,511,067.	

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).

Check if Schedule O contains a response to any question in this Part IX

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 United States. See Part IV, line 21				
2 Grants and other assistance to individuals in the United States. See Part IV, line 22				
3 Grants and other assistance to governments, organizations, and individuals outside the United States. See Part IV, lines 15 and 16				
4 Benefits paid to or for members				
5 Compensation of current officers, directors, trustees, and key employees	1,579,238.	852,145.	727,093.	
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	3,067,487.	2,144,611.	922,876.	
7 Other salaries and wages				
8 Pension plan accruals and contributions (include section 401(k) and section 403(b) employer contributions)	117,751.	117,751.		
9 Other employee benefits	298,462.	183,797.	114,665.	
10 Payroll taxes	325,921.	287,456.	38,465.	
11 Fees for services (non-employees):				
a Management				
b Legal	141,036.	141,036.		
c Accounting	33,761.		33,761.	
d Lobbying				
e Professional fundraising services. See Part IV, line 17				
f Investment management fees	12,776.		12,776.	
g Other				
12 Advertising and promotion	551,257.	508,004.	43,253.	
13 Office expenses	140,069.	94,493.	45,576.	
14 Information technology				
15 Royalties				
16 Occupancy	55,216.	39,314.	15,902.	
17 Travel	183,957.	153,395.	30,562.	
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings	272,347.	134,659.	137,688.	
20 Interest	36,659.		36,659.	
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	308,864.	169,875.	138,989.	
23 Insurance	103,878.	63,970.	39,908.	
24 Other expenses. Itemize expenses not covered above. (List miscellaneous expenses in line 24e. If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O.)				
a TESTING SERVICES	925,946.	925,946.		
b PRINTING, PHOTOGRAPHY &	921,275.	920,604.	671.	
c MARKETING	821,970.	806,353.	15,617.	
d EVENTS & TRADE SHOWS	289,214.	289,214.		
e All other expenses	797,287.	632,974.	164,313.	
25 Total functional expenses. Add lines 1 through 24e	10,984,371.	8,465,597.	2,518,774.	0.
26 Joint costs. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation.				

Check here ► if following SOP 98-2 (ASC 958-720)

Part X Balance Sheet

		(A) Beginning of year		(B) End of year
	1 Cash - non-interest-bearing	500.	1	500.
	2 Savings and temporary cash investments		2	
	3 Pledges and grants receivable, net	4,782,032.	3	4,307,954.
	4 Accounts receivable, net	88,966.	4	156,057.
	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)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions)		6	
	7 Notes and loans receivable, net		7	
Assets	8 Inventories for sale or use	479,725.	8	470,455.
	9 Prepaid expenses and deferred charges	893,021.	9	942,184.
	10a Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D	6,931,713.		
	b Less: accumulated depreciation	3,677,505.	10c	3,254,208.
	11 Investments - publicly traded securities	1,040,436.	11	952,931.
	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)	10,548,221.	16	10,084,289.
Liabilities	17 Accounts payable and accrued expenses	1,263,733.	17	945,066.
	18 Grants payable		18	
	19 Deferred revenue	1,261,616.	19	1,690,511.
	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	933,786.	23	0.
	24 Unsecured notes and loans payable to unrelated third parties		24	
	25 Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24). Complete Part X of Schedule D		25	
	26 Total liabilities. Add lines 17 through 25	3,459,135.	26	2,635,577.
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	7,089,086.	27	7,448,712.
	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	7,089,086.	33	7,448,712.
	34 Total liabilities and net assets/fund balances	10,548,221.	34	10,084,289.

Form 990 (2011)

Part XI Reconciliation of Net AssetsCheck if Schedule O contains a response to any question in this Part XI

1 Total revenue (must equal Part VIII, column (A), line 12)	1	11,355,517.
2 Total expenses (must equal Part IX, column (A), line 25)	2	10,984,371.
3 Revenue less expenses Subtract line 2 from line 1	3	371,146.
4 Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	7,089,086.
5 Other changes in net assets or fund balances (explain in Schedule O)	5	-11,520.
6 Net assets or fund balances at end of year. Combine lines 3, 4, and 5 (must equal Part X, line 33, column (B))	6	7,448,712.

Part XII Financial Statements and ReportingCheck if Schedule O contains a response to any question in this Part XII

	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 separate basis, consolidated 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 (2011)

SCHEDULE A
(Form 990 or 990-EZ)

Public Charity Status and Public Support

Department of the Treasury
Internal Revenue Service

OMB No 1545-0047

2011

**Open to Public
Inspection**

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.

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

1 A church, convention of churches, or association of churches described in section 170(b)(1)(A)(i).

2 A school described in section 170(b)(1)(A)(ii). (Attach Schedule E.)

3 A hospital or a cooperative hospital service organization described in section 170(b)(1)(A)(iii).

4 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 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 A federal, state, or local government or governmental unit described in section 170(b)(1)(A)(v).

7 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 A community trust described in section 170(b)(1)(A)(vi). (Complete Part II.)

9 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 An organization organized and operated exclusively to test for public safety. See section 509(a)(4).

11 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.

a Type I b Type II c Type III - Functionally integrated d Type III - Other

e 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).

f 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

g 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?

h Provide the following information about the supported organization(s).

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

Schedule A (Form 990 or 990-EZ) 2011

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 or if the organization failed to qualify under Part III. If the organization fails to qualify under the tests listed below, please complete Part III.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ►	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(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 Total. 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)						
6 Public support. Subtract line 5 from line 4						

Section B. Total Support

Calendar year (or fiscal year beginning in) ►	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(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)						
11 Total support. Add lines 7 through 10						
12 Gross receipts from related activities, etc. (see instructions)					12	
13 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						<input type="checkbox"/>

Section C. Computation of Public Support Percentage

14 Public support percentage for 2011 (line 6, column (f) divided by line 11, column (f))	14	%
15 Public support percentage from 2010 Schedule A, Part II, line 14	15	%
16a 33 1/3% support test - 2011. If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization		
b 33 1/3% support test - 2010. 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 stop here. The organization qualifies as a publicly supported organization		
17a 10% -facts-and-circumstances test - 2011. 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 stop here. Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization		
b 10% -facts-and-circumstances test - 2010. 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 stop here. Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization		
18 Private foundation. If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions		

Schedule A (Form 990 or 990-EZ) 2011

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 or if the organization failed to qualify under Part II. If the organization fails to qualify under the tests listed below, please complete Part II.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ►	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")	653.	304.	740.	112.	245.	2,054.
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	10210993.	10090432.	10219200.	12085612.	12793536.	55399773.
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	10211646.	10090736.	10219940.	12085724.	12793781.	55401827.
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)						55401827.

Section B. Total Support

Calendar year (or fiscal year beginning in) ►	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(f) Total
9 Amounts from line 6	10211646.	10090736.	10219940.	12085724.	12793781.	55401827.
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources	230,779.	194,559.	181,064.	172,865.	160,362.	939,629.
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b	230,779.	194,559.	181,064.	172,865.	160,362.	939,629.
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)	10442425.	10285295.	10401004.	12258589.	12954143.	56341456.

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 2011 (line 8, column (f) divided by line 13, column (f))	15	98.33	%
16 Public support percentage from 2010 Schedule A, Part III, line 15	16	98.10	%

Section D. Computation of Investment Income Percentage

17 Investment income percentage for 2011 (line 10c, column (f) divided by line 13, column (f))	17	1.67	%
18 Investment income percentage from 2010 Schedule A, Part III, line 17	18	1.90	%

19a **33 1/3% support tests - 2011.** 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 ►

b **33 1/3% support tests - 2010.** 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 ►

20 **Private foundation.** If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions ►

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, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b.
► Attach to Form 990. ► See separate instructions.

OMB No 1545-0047

2011Open to Public
Inspection

Name of the organization

AMERICAN COUNCIL ON EXERCISEEmployer 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 education) <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	Held at the End of the Tax Year
b Total acreage restricted by conservation easements	2a
c Number of conservation easements on a certified historic structure included in (a)	2b
d Number of conservation easements included in (c) acquired after 8/17/06, and not on a historic structure listed in the National Register	2c
3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the tax year ► _____	2d
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 (ASC 958), 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 (ASC 958), 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 (ASC 958) 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 the 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:

	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.

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

2 Provide the estimated percentage of the current year end balance (line 1g, column (a)) held as

a Board designated or quasi-endowment ► %

b Permanent endowment ► %

c Temporarily restricted endowment ► %

The percentages in lines 2a, 2b, and 2c should equal 100%.

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

by:

(i) unrelated organizations
 (ii) related organizations

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.

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

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

Description of property	(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.	1,608,767.	1,504,977.
c Leasehold improvements		140,669.	80,861.	59,808.
d Equipment		833,338.	607,907.	225,431.
e Other		1,557,079.	1,379,970.	177,109.

Total. Add lines 1a through 1e (Column (d) must equal Form 990, Part X, column (B), line 10(c)) ►

3,254,208.

Schedule D (Form 990) 2011

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
(1) Financial derivatives		
(2) Closely-held equity interests		
(3) Other		
(A)		
(B)		
(C)		
(D)		
(E)		
(F)		
(G)		
(H)		
(I)		
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

(a) Description of investment type	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1)		
(2)		
(3)		
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
(10)		
Total. (Col. (b) must equal Form 990, Part X, col (B) line 13.) ►		

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

(a) Description	(b) Book value
(1)	
(2)	
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
(10)	

Total. (Column (b) must equal Form 990, Part X, col (B) line 15.) ►**Part X Other Liabilities.** See Form 990, Part X, line 25.

(a) Description of liability	(b) Book value
(1) Federal income taxes	
(2)	
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
(10)	
(11)	

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

FIN 48 (ASC 740) 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 (ASC 740).

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	11,355,517.
2 Total expenses (Form 990, Part IX, column (A), line 25)	2	10,984,371.
3 Excess or (deficit) for the year. Subtract line 2 from line 1	3	371,146.
4 Net unrealized gains (losses) on investments	4	-11,520.
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	-11,520.
10 Excess or (deficit) for the year per audited financial statements. Combine lines 3 and 9	10	359,626.

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	13,066,300.
2 Amounts included on line 1 but not on Form 990, Part VIII, line 12:		
a Net unrealized gains on investments	2a	-11,520.
b Donated services and use of facilities	2b	
c Recoveries of prior year grants	2c	
d Other (Describe in Part XIV.)	2d	1,722,303.
e Add lines 2a through 2d	2e	1,710,783.
3 Subtract line 2e from line 1	3	11,355,517.
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	11,355,517.

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

1 Total expenses and losses per audited financial statements	1	12,706,674.
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	1,722,303.
e Add lines 2a through 2d	2e	1,722,303.
3 Subtract line 2e from line 1	3	10,984,371.
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	10,984,371.

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: \$1,722,303

PART XIII, LINE 2D:

COST OF GOODS SOLD: \$1,722,303

ACE HAD NO UNRECOGNIZED TAX BENEFITS OR LIABILITIES AS OF JUNE 30, 2012

AND 2011. ACE FILES AN EXEMPT ORGANIZATION RETURN IN THE UNITED STATES

Part XIV Supplemental Information (continued)

FEDERAL JURISDICTION AND WITH THE FRANCHISE TAX BOARD IN THE STATE OF
CALIFORNIA. ACE IS NO LONGER SUBJECT TO INCOME TAX EXAMINATIONS BY TAXING
AUTHORITIES FOR YEARS BEFORE 2009 FOR ITS FEDERAL FILINGS AND FOR YEARS
BEFORE 2008 FOR ITS STATE FILING.

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.

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Inspection

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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)

b 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?

3 Indicate which, if any, of the following the filing organization used to establish the compensation of the organization's CEO/Executive Director. Check all that apply. Do not check any boxes for methods used by a related organization to establish compensation of the CEO/Executive Director. Explain in Part III

<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

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?
b Any related organization?

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?
b Any related organization?

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

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 Regulations section 53.4958-4(a)(3)? If "Yes," describe in Part III

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

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

Schedule J (Form 990) 2011

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2011.04040 AMERICAN COUNCIL ON EXERCISE 330581

Part II Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees. Use duplicate copies 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)-(iii) for each listed individual must equal the total amount of Form 990, Part VII, Section A, line 1a, applicable column (D) and (E) amounts for that individual.

(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 as deferred in prior Form 990
	(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
1 SCOTT GOODESEUNE	(i) 285,549.	77,376.	0.	4,480.	14,376.	381,781.	0.
	(ii) 0.	0.	0.	0.	0.	0.	0.
2 ALEX MIRNEZAM	(i) 242,886.	57,177.	0.	0.	16,693.	316,756.	0.
	(ii) 0.	0.	0.	0.	0.	0.	0.
3 JANET FRENKEL	(i) 184,768.	46,258.	0.	5,476.	8,503.	245,005.	0.
	(ii) 0.	0.	0.	0.	0.	0.	0.
4 CEDRIC BRYANT	(i) 222,557.	57,177.	0.	6,213.	24,116.	310,063.	0.
	(ii) 0.	0.	0.	0.	0.	0.	0.
5 GRAHAM MELSTRAND	(i) 172,585.	34,923.	0.	5,016.	5,802.	218,326.	0.
	(ii) 0.	0.	0.	0.	0.	0.	0.
6 LEE RAMSEY	(i) 141,702.	12,116.	0.	4,167.	4,734.	162,719.	0.
	(ii) 0.	0.	0.	0.	0.	0.	0.
7	(i)						
8	(i)						
9	(i)						
10	(i)						
11	(i)						
12	(i)						
13	(i)						
14	(i)						
15	(i)						
16	(i)						

Complete this part to provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 3, 4a, 4b, 4c, 5a, 5b, 6a, 6b, 7, and 8, and for Part II. Also complete this part for any additional information

33-0123550

Page 3

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.**

Part IV Business Transactions Involving Interested Persons.

Complete if the organization answered "Yes" on Form 990, Part IV, line 28a, 28b, or 28c.

Part V Supplemental Information

Complete this part to provide additional information for responses to questions on Schedule L (see instructions).

SCH L, PART IV, BUSINESS TRANSACTIONS INVOLVING INTERESTED PERSONS:

(A) NAME OF PERSON: CHRISTOPHER GOODESEUNE

(D) DESCRIPTION OF TRANSACTION: COMPENSATION

SCHEDULE O
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

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

OMB No 1545-0047

2011
Open to Public
Inspection

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AMERICAN COUNCIL ON EXERCISE

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

THROUGH SAFE AND EFFECTIVE EXERCISE AND PHYSICAL ACTIVITY. AS AMERICA'S AUTHORITY ON FITNESS, ACE PROTECTS ALL SEGMENTS OF SOCIETY AGAINST INEFFECTIVE FITNESS PRODUCTS, 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 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 4B, PROGRAM SERVICE ACCOMPLISHMENTS:

INFORMATION ON FITNESS & HEALTH ISSUES. APPROXIMATELY 25,466 PACKETS WERE DISTRIBUTED IN THE CURRENT YEAR.

FORM 990, PART III, LINE 4C, PROGRAM SERVICE ACCOMPLISHMENTS:

YEAR, ACE CONTINUED TO BUILD ON OUR PARTNERSHIP WITH THE HERSHEY CENTER FOR HEALTH & NUTRITION AND THE AMERICAN DIETETIC ASSOCIATION BY RAISING AWARENESS ABOUT THE IMPORTANCE OF PHYSICAL ACTIVITY AND HEALTHY EATING. WE PRODUCED A SERIES OF "ACTIVITY SNACKS" WORKSHEETS AND VIDEOS AIMED AT INSPIRING FAMILIES TO GET MOVING WITH SHORT BOUTS OF PLAY EVERY DAY. IN ADDITION TO OUR WORK WITH MODERATIONNATION, ACE ALSO WORKED WITH HERSHEY'S BY FEATURING ACE PROS AT A SERIES OF BIRTHDAY PARTY EVENTS TO CELEBRATE THE 35TH ANNIVERSARY OF HERSHEY'S TRACK & FIELD GAMES. THE

Name of the organization

AMERICAN COUNCIL ON EXERCISE

Employer identification number

33-0123550

LONGSTANDING EVENT IS HELD IN MORE THAN 3,000 COMMUNITIES NATIONWIDE IN AN EFFORT TO GET KIDS AGED 9-14 ACTIVE AND ENGAGED IN A HEALTHY, BALANCED LIFESTYLE. ACE FITNESS PROFESSIONALS PARTICIPATED IN SEVERAL OF THESE LOCAL EVENTS, RESULTING IN YOUTH FITNESS MESSAGES APPEARING IN NEWS PRINT, ONLINE AND ON LOCAL TV OVER 20 MILLION TIMES.

ACE HAS CREATED A NEW CONTENT-SHARING PARTNERSHIP WITH FITNESS TECHNOLOGY PROVIDER BODYMEDIA, WHICH FEATURES ACE HEALTH AND FITNESS TIPS ON THE DASHBOARDS OF ITS SUBSCRIBERS' PERSONAL ACCOUNTS.

ADDITIONALLY, ACE FORMED A NEW PARTNERSHIP WITH BLACK HEALTH TV, AN ONLINE SOCIAL CHANNEL THAT HIGHLIGHTS AFRICAN AMERICAN HEALTH CONCERNs AND INCORPORATES ACE CONTENT THROUGHOUT ITS SITE. IN 2012, ACE BECAME THE PREFERRED PROVIDER OF FITNESS AND WELLNESS CONTENT FOR APPLEPEAK'S WELLNESS RECORD. APPLEPEAK PROVIDES WEB-BASED HEALTH AND WELLNESS SOLUTIONS FOR PRIVATE CORPORATIONS, HEALTHCARE AND GOVERNMENT INSTITUTIONS. WELLNESS RECORD PROVIDES INDIVIDUALS OR EMPLOYEES OF CORPORATE SUBSCRIBERS WITH PRIVATE, PERSONALIZED ONLINE WELLNESS RESOURCES INCLUDING INTERACTIVE HEALTH TOOLS, CERTIFIED MEDICAL CONTENT, FITNESS AND MEDICAL DEVICE INTEGRATION, HEALTH TRACKERS, GOAL-SETTING TOOLS AND MORE. THE COLLABORATION SUPPORTS SEVERAL OF ACE'S KEY VISION POINTS OF INCREASING WORKPLACE WELLNESS, PARTNERING WITH HEALTH CARE PROFESSIONALS, AND INCREASING PUBLIC ACCESS TO EDUCATION.

ACE AMBASSADORS

OUR NETWORK OF MORE THAN 52,000 PERSONAL TRAINERS, GROUP FITNESS INSTRUCTORS, HEALTH COACHES, AND ADVANCED HEALTH AND FITNESS SPECIALISTS CONTINUE TO SERVE AS AMBASSADORS FOR ACE AT A VARIETY OF

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01-23-12

Schedule O (Form 990 or 990-EZ) (2011)

Name of the organization

AMERICAN COUNCIL ON EXERCISE

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33-0123550

EVENTS IN THEIR RESPECTIVE COMMUNITIES. THEY ATTEND COMMUNITY EVENTS AND REPRESENT ACE IN LOCAL MEDIA, REACHING OUT TO CONSUMERS AND CONDUCTING INFORMAL RESEARCH.

MEDIA PARTNERSHIPS

ACE EXPERTS ARE AMONG THE MOST QUOTED FITNESS EXPERTS IN THE MEDIA REACHING CONSUMERS THROUGH 5.6 BILLION MESSAGES THIS YEAR. FROM DAILY NEWSPAPERS ACROSS THE COUNTRY TO HIGH-TRAFFIC WEBSITES, THEY SHARE TIPS ON HEALTHY EATING, WORKOUT ADVICE, AND THE LATEST RESEARCH ON EFFECTIVE FITNESS PRODUCTS AND TRENDS.

EACH MONTH, ACE EXPERTS APPEAR IN FITBIE, A HEALTH AND FITNESS BLOG MANAGED BY MSN, TO COVER EVERYTHING FROM WHAT PARTICIPANTS CAN EXPECT FROM POPULAR GROUP FITNESS CLASSES TO HOW THEY CAN INCORPORATE ACTIVITY INTO THEIR WORK DAYS. ACE HAS SHARED INFORMATION ABOUT CROSSFIT, ZUMBA FITNESS, AND THE TRUTH ABOUT SPECIFIC FITNESS MYTHS. A SIMILAR PARTNERSHIP WITH EVERYDAYHEALTH.COM FEATURES COMPELLING BLOGS AIMED AT REACHING OUT TO CONSUMERS IN SEARCH OF CREDIBLE AND TRUSTWORTHY ADVICE. THIS YEAR, ACE INCREASED ACCESS TO ONLINE FITNESS VIDEOS, RESEARCH, BLOGS, FITFACTS, RECIPES, FITNESS TOOLS AND CALCULATORS THROUGH PARTNERSHIPS WITH THE MCCLATCHY CO., WHICH OWNS 30 DAILY NEWSPAPERS IN 29 U.S. MARKETS. IN EACH OF ITS DAILY NEWSPAPER MARKETS, MCCLATCHY OPERATES THE LEADING LOCAL WEBSITE, OFFERING READERS INFORMATION, COMPREHENSIVE NEWS, ADVERTISING, E-COMMERCE AND OTHER SERVICES. THIS PARTNERSHIP DRAMATICALLY ENHANCES ACE'S REACH AMONG CONSUMERS. MCCLATCHY NEWSPAPERS AND WEBSITES HAVE AN AVERAGE WEEKDAY REACH OF OVER 2 MILLION READERS. TO ENHANCE THE BREADTH AND DEPTH OF ACE'S OUTREACH, ACE EXPERTS SERVE ON ADVISORY BOARDS FOR PUBLICATIONS INCLUDING SHAPE MAGAZINE AND BETTER HOMES & GARDENS AS WELL AS APPEARANCES AS FITNESS

Name of the organization

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AND HEALTH EXPERTS FOR LIFETIME TELEVISION'S "THE BALANCING ACT."

FORM 990, PART VI, SECTION B, LINE 11: THE FORM 990 IS REVIEWED INTERNALLY BY THE EXECUTIVE TEAM AND EXTERNALLY 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 6/25/12.

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 RECOMMENDATIONS TO THE BOARD OF DIRECTORS FOR KEY EMPLOYEES. THE

Name of the organization

AMERICAN COUNCIL ON EXERCISE

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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 6/25/12.

FORM 990, PART VI, SECTION C, LINE 19: GOVERNING DOCUMENTS AND CONFLICT OF INTEREST POLICY ARE AVAILABLE UPON REQUEST. FINANCIAL STATEMENTS ARE AVAILABLE ON THE ORGANIZATION'S WEBSITE.

FORM 990, PART VII, SECTION A, COMPENSATION

TWO BOARD MEMBERS WERE PAID FOR SERVICES PROVIDED TO THE ORGANIZATION AS INDEPENDENT CONTRACTORS NOT IN THE CAPACITY OF BOARD MEMBER POSITIONS.

FORM 990, PART XI, LINE 5, CHANGES IN NET ASSETS:

NET UNREALIZED LOSSES ON INVESTMENTS: -11,520.

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.