

**AMERICAN COUNCIL ON CONSUMER INTERESTS**  
Tarpon Spring, Florida

**FINANCIAL STATEMENTS**  
**AUGUST 31, 2014**

**AMERICAN COUNCIL ON CONSUMER INTERESTS**  
Tarpon Spring, Florida

**C O N T E N T S**

**INDEPENDENT AUDITOR'S REPORT**

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
American Council on Consumer Interests  
Tarpon Springs, Florida

We have audited the accompanying balance sheet of American Council of Consumer Interests which comprise the statement of financial position as of August 31, 2014 and the related statements of activities, functional expenses and cash flows for the year then ended. These financial statements are the responsibility of the organization's management. Our responsibility is to express an opinion on these financial statements based on our audits.

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also, includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentations of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the American Council of Consumer Interests as of August 31, 2014, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Price & Associates, CPAs

Tarpon Springs, Florida

December 17, 2014

**AMERICAN COUNCIL ON CONSUMER INTERESTS**  
**Tarpon Springs, Florida**

**STATEMENT OF FINANCIAL POSITION**  
**August 31, 2014**

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	<u>2014</u>
<b>Assets</b>	
Cash and cash equivalents	\$ 331,435
Accounts receivable	-
<b>Total Assets</b>	<u><u>\$ 331,435</u></u>
<b>Liabilities and Net Assets</b>	
<b>Liabilities</b>	
Accrued expenses	\$ 415
<b>Total Liabilities</b>	<u>415</u>
<b>Net Assets</b>	
Unrestricted	227,892
Temporarily Restricted	-
Permanently Restricted	103,128
<b>Total Net Assets</b>	<u><u>331,020</u></u>
<b>Total Liabilities and Net Assets</b>	<u><u>\$ 331,435</u></u>

See accompanying notes and independent accountant's audit report.

**AMERICAN COUNCIL ON CONSUMER INTERESTS**  
**Tarpon Springs, Florida**

**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED AUGUST 31, 2014**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
<b>SUPPORT AND REVENUES</b>				
Royalties	\$ 102,040	\$ -	\$ -	\$ 102,040
Other	1,448	-	-	1,448
Contributions	100	-	-	100
Program Income	65,099	-	-	65,099
Investment Income	-	-	5,093	5,093
Miscellaneous Income	2,906	-	-	2,906
Net Assets Released From Restrictions	-	-	-	-
<b>Total Support and Revenues</b>	<u>\$ 171,593</u>	<u>\$ -</u>	<u>\$ 5,093</u>	<u>\$ 176,686</u>
<b>EXPENSES</b>				
Program Expenses	128,525	-	-	128,525
Management and General	42,142	-	-	42,142
<b>Total Expenses</b>	<u>170,667</u>	<u>-</u>	<u>-</u>	<u>170,667</u>
<b>CHANGES IN NET ASSETS</b>	926	-	5,093	6,018
<b>UNREALIZED GAIN FROM INVESTMENTS</b>	28,753	-	-	28,753
<b>NET ASSETS, BEGINNING OF YEAR</b>	<u>198,213</u>	<u>-</u>	<u>98,035</u>	<u>296,248</u>
<b>NET ASSETS, END OF YEAR</b>	<u>\$ 227,892</u>	<u>\$ -</u>	<u>\$ 103,128</u>	<u>\$ 331,020</u>

See accompanying notes and independent accountant's audit report.

**AMERICAN COUNCIL ON CONSUMER INTERESTS**  
**Tarpon Springs, Florida**

**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED AUGUST 31, 2014**

	<u>Program</u> <u>Services</u>	<u>Management</u> <u>and General</u>	<u>Total</u>
Advertising	\$ 2,217	\$ -	\$ 2,217
Awards	4,840	-	4,840
Professional Fees	-	11,000	11,000
Office Expense	-	9,163	9,163
Conference/Meetings	54,996	-	54,996
Management Fees	44,625	21,979	66,604
Publications	16,923	-	16,923
Website	4,924	-	4,924
	<u>\$ 128,525</u>	<u>\$ 42,142</u>	<u>\$ 170,667</u>

See accompanying notes and independent accountant's audit report.

**AMERICAN COUNCIL ON CONSUMER INTERESTS**  
Tarpon Springs, Florida

**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED AUGUST 31, 2014**

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	2014 Unrestricted
<b>Cash flows by Operating Activities</b>	
Increase in net assets	\$ 6,018
Adjustments to reconcile increase in net assets	
Increase (decrease) in:	
Unrealized gain from investments	28,753
Accounts receivable	500
Accrued expenses	261
<b>Total cash provided (used) by Operating Activities</b>	<hr/> 35,533
<b>Net increase (decrease) in cash</b>	35,533
Cash and cash equivalents, beginning of period	<hr/> 295,902
Cash and cash equivalents, end of period	<hr/> <hr/> \$ 331,435

See accompanying notes and independent accountant's audit report.

**AMERICAN COUNCIL ON CONSUMER INTERESTS**  
Tarpon Springs, Florida

**NOTES TO FINANCIAL STATEMENTS**  
**AUGUST 31, 2014**

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**NOTE 1 - MISSION**

The mission of the American Council on Consumer Interests (ACCI) is to enhance consumer and family economics well-being by promoting excellence in research and educational programs.

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Basis of Accounting

The accounts of ACCI are maintained, and the financial statements are prepared on the accrual basis of accounting. Accordingly, revenues are recognized when earned, and expenses are recognized when incurred.

Basis of Presentation

Financial statement presentation follows the U.S. generally accepted accounting principles promulgated by the FASB *Accounting Standards Codification*. Under those principles, the organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Income Tax Status

ACCI qualifies as a tax-exempt, non-profit organization under Section 501(c) (3) of the Internal Revenue Code and was determined to be a public charity. The organization's federal Exempt from Income Tax Returns (Form 990) are subject to examination by the IRS, generally for three years after they were filed.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Functional Allocation of Expenses

The cost of providing various services, programs, and other activities has been summarized on a functional basis in the statement of functional expenses. Accordingly, certain costs have been allocated among services benefited.



AMERICAN COUNCIL ON CONSUMER INTERESTS  
Tarpon Springs, Florida

NOTES TO FINANCIAL STATEMENTS  
AUGUST 31, 2014

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**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED**

Cash and Cash Equivalents

For purposes of the Statements of Cash Flows, the Organization considers all investments with a maturity of three months or less at the date of purchase to be cash equivalents.

Deferred Revenue

Membership dues are recognized as revenue in the applicable period. Membership dues cover a one year period based on the date of joining the organization.

Fair Value Measurement

FASB ASC 820, *Fair Value Measurements*, which defines fair value, establishes guidelines for measuring fair value and expands disclosures regarding fair value. FASB ASC 820 does not require any new fair value measurements but rather eliminates inconsistencies in guidance found in various other accounting pronouncements.

Assets and liabilities measured at fair value are recorded in accordance with FASB ASC 820, which clarifies that fair value is an exit price, representing the amounts that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. As such, fair value is a market-based measurement that should be determined based on assumptions that market participants would use in pricing an asset or liability. As a basis for considering such assumptions, FASB ASC 820 establishes a three tier value hierarchy, which prioritizes the inputs used in measuring fair value as follows:

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

Level 2 Inputs – Inputs other than quoted prices in active markets that are observable either directly or indirectly.

Level 3 Inputs – Unobservable inputs in which there is little or no market data, which requires management to develop their assumptions.

Advertising

ACCI expenses advertising costs as incurred. Marketing and advertising expense for the year ended August 31, 2014 was \$2,217.

**AMERICAN COUNCIL ON CONSUMER INTERESTS**  
Tarpon Springs, Florida

**NOTES TO FINANCIAL STATEMENTS**  
**AUGUST 31, 2014**

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**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED**

**Restricted and Unrestricted Revenue**

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions. Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities as net assets released from restrictions.

**Accounts Receivable**

Accounts Receivables are stated at unpaid balances, less an allowance for doubtful accounts. The Organization provides for losses on Accounts Receivables using the allowance method. The allowance method is based on experience, third-party contracts, and other circumstances, which may affect the ability of customers to meet their obligations. Receivables are considered impaired if full principal payments are not received in accordance with contractual terms. It is the Organization's policy to charge off uncollectible accounts receivables when management determines the receivable will not be collected. Management believes all receivables will be collected in accordance with the agreement. Thus, no allowance for uncollectible accounts is necessary at year-end.

**NOTE 3 – SERVICE AGREEMENTS**

The Organization utilizes service agreements to obtain administrative and executive services to support its activities. Under the contract, the total costs for the year ended August 31, 2014 was \$66,604.

**NOTE 4 – PUBLISHING AGREEMENT**

The Organization has an agreement with Wiley-Blackwell Publishing to publish the Journal of Consumer Affairs. The publishers have guaranteed an annual minimum income for a specified period of time. Revenues for the year ended August 31, 2014 were approximately 59% of total support and revenues.

NOTES TO FINANCIAL STATEMENTS  
AUGUST 31, 2014

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**NOTE 5 – BOARD DESIGNATED AND RESTRICTED FUNDS**

Board Designated:

Unrestricted net assets are all remaining assets of the Organization. These may be designated for specific purposes by action of the Board of Directors. At August 31, 2014, the Board of Directors had designated net assets for the following:

**General Fund** – This represents funds designated for future projects as specified by the Board of Directors. The balance in the fund at August 31, 2014 was \$0.

Temporarily Restricted:

Temporarily restricted net assets represent donations for which donor stipulations that limit use for time period or purpose have not been met. As of August 31, 2014, there were no temporarily restricted net assets.

Permanently Restricted:

Permanently restricted net assets are those whose principal must stay intact. Income generated by the permanently restricted net assets is allowed to be used for current operations.

Rhonda H. Karpatkin International Consumer Fellows Program – This program will provide support for international consumer scholars and leaders to participate in activities related to international consumer issues. Interest income from the endowment will cover expenditures approved by the Board of Directors. The balance in the fund at August 31, 2014 was \$14,523.

Colston E. Warne Fund – This fund is restricted by the donor for the annual Colston E. Warne lecture honorarium. The balance in the fund at August 31, 2014 was \$32,348.

Stewart M. Lee Fund – This fund is restricted by the donor for the consumer education award. The balance in the fund at August 31, 2014 was \$12,906.

Esther Peterson Consumer Policy Forum – These funds are restricted to sponsor the annual Esther Peterson Consumer Policy Forum. The balance in the fund at August 31, 2014 was \$39,060.

Applied Consumer Economics Award – This award represents funds restricted by the donor for the annual award for the best consumer economics paper. The balance in the fund at August 31, 2014 was \$4,290.

**AMERICAN COUNCIL ON CONSUMER INTERESTS**

Tarpon Springs, Florida

**NOTES TO FINANCIAL STATEMENTS**

**AUGUST 31, 2014**

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**NOTE 6 – CONCENTRATIONS OF CREDIT RISK**

Financial instruments, which potentially subject the Organization to concentrations of credit risks, consist principally of cash and cash equivalents. At times, such cash and cash equivalents in banks are in excess of the FDIC insurance limit. Credit risk with respect to cash and cash equivalents is minimized by using high-credit quality financial institutions.

**NOTE 7 – SUBSEQUENT EVENTS**

The Organization has evaluated subsequent events and transactions through December 17, 2014, the date the financial statements were available to be issued. There were no subsequent events that require recognition in the financial statements.

See independent auditor's report

Price & Associates CPA's  
27 North Ring Avenue  
Tarpon Springs, FL 34689

December 17, 2014

Board of Directors  
American Council on Consumer Interests

We have audited the financial statements of American Council on Consumer Interest for the year ended August 31, 2014 and have issued our report thereon dated December 17, 2014. Professional standards require that we provide you with the following information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated November 4, 2014. Professional standards also require that we communicate to you the following information related to our audit.

**Significant Audit Findings**

*Qualitative Aspects of Accounting Practices*

Management has the responsibility for selection and use of appropriate accounting policies. The significant accounting policies used by American Council on Consumer Interests are described in Note 2 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year ended August 31, 2014. We noted no transactions entered into by the Organization during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the consolidated financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. There were no significant estimates affecting the financial statements other than allocation of functional expenses.

*Difficulties Encountered in Performing the Audit*

We encountered no significant difficulties in dealing with management in performing and completing our audit.

*Corrected and Uncorrected Misstatements*

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements.

*Disagreements with Management*

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

*Management Responsibilities*

We have requested certain representations from management that are included in the management representation letter dated December 17, 2014.

*Management Consultations with Other Independent Accountants*

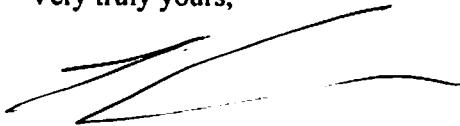
In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of any accounting principle to the Organization's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

*Other Audit Findings or Issues*

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Organization's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

This information is intended solely for the use of the Audit Committee and management of American Council on Consumer Interests and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

A handwritten signature in black ink, appearing to read "Tim E. Price", written over a horizontal line.

Tim E. Price, CPA

Price & Associates CPA's  
27 North Ring Avenue  
Tarpon Springs, FL 34689

To the Board of Directors  
American Council on Consumer Interests

In planning and performing our audit of the financial statements of American Council on Consumer Interests as of and for the twelve months ended August 31, 2014 in accordance with auditing standards generally accepted in the United States of America, we considered American Council on Consumer Interest's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies of material weakness. However, as discussed below, we identified certain deficiencies in internal control that we consider to be significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A material weakness is a deficiency or a combination of deficiencies in internal control, such that there is more than a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. We did not identify any deficiencies in internal control that we consider to be material weaknesses.

A significant deficiency is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the following deficiency in American Council on Consumer Interest's internal control to be a significant deficiency.

*There is a lack of segregation of duties in that most accounting functions are handled by one individual.*

This communication is intended solely for the information and use of management, the Board of Directors, and others within the organization, and is not intended to be and should not be used by anyone other than these specified parties.

Tim Price, CPA



December 17, 2014