A Message from the Executive Director

Over the past several years the Association for Middle Level Education (AMLE) has dedicated significant financial resources to reach and engage more middle level educators. With a recently updated brand; a new membership model; a new publication, *AMLE Magazine*; and a redesigned website, our investments contributed to positive results in 2014-2015. AMLE ended the fiscal year with a record **40,000 Members**, a 17% increase in a 12-month period.

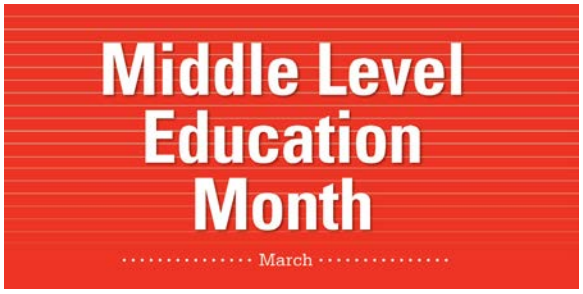
Additionally, annual conference attendance increased—the first increase in eight years. Total revenue and net income increased for the first time in five years, and net assets increased for the first time in four years. These financial successes translate to **Increased Services and Resources** for middle level educators, which is the heart of our mission.

AMLE brought **Professional Learning** opportunities to Nashville, Hawaii, Iowa, Atlanta, Savannah, and San Diego, reaching more than 4,100 educators with support and ideas to help transform learning for tens of thousands of students. Our webinar series grew to more than 45 archived webinars, 24 of which were recorded in the 2014-15 fiscal year.

In addition to publishing ten issues of our **Research** journal, *RMLE Online*, and five issues of *Middle School Journal*, AMLE released four new research summaries, developed by our Research Advisory Committee: Coaching Teacher Dispositions, Developmental Characteristics of Young Adolescents, Motivation: Understanding and Responding to Individual Differences, and Professional Learning and Professional Development in the Middle Grades.

Our work—fueled by a healthy financial outlook—is enriched by hundreds of **Volunteers**. With 100 conference program reviewers, 115 professional journal manuscript reviewers, 42 teacher preparation program reviewers, 30 advisory committee members, 18 board members, and countless others who provide their time and talents, AMLE is rich with individuals who help us reach our mission of improving the educational experiences of all students by providing resources to educators.

The organization also was privileged to offer **Recognition of Education Leaders** who have made a difference in the lives of young adolescents. We recognized exceptional school leader Allison Glickman-Rogers and university professor Norma Bailey for their outstanding service to the field, and a cutting edge team at Vance Middle School and our collegiate chapter at Otterbein University who each received awards sponsored by the AMLE Foundation Fund.



We had a year of fostering important **Partnerships** to extend the association's reach. Middle Level Education Month, sponsored by AMLE, was supported by partners Adolescent Success, NAESP, NASSP, Let's Move Active Schools, and the National Forum to Accelerate Middle-Grades Reform. AMLE engaged the Research Advisory Committee, our publication editors, and other stakeholders to determine a new periodicals publishing model, which resulted in working with Taylor & Francis as the publishing and distribution partner for our peer-reviewed journals. This arrangement has the added benefit of increasing exposure of AMLE research journals to the education research community and scholars while expanding access for AMLE members. Other partnerships include the Prudential Spirit of Community Awards, National Teacher of the Year, and Connected Educator Month.

As you can see, there's much to celebrate. We know that just as students benefit from attention to relationships with peers, teachers, and adult advocates, AMLE's strong relationships determine the success of our efforts to help educators reach every student, grow professionally, and create great schools!

William D. Waidelich, EdD, CAE
Executive Director

Statements of Financial Position

	For the years ending June 30	
ASSETS	**2015** (Reviewed)	**2014** (Reviewed)
CURRENT ASSETS		
Cash and cash equivalents	$ 649,330	$ 368,727
Investments	913,947	1,055,318
Accounts receivable, net	156,235	149,838
Publications inventory, net	41,112	39,836
Prepaid expenses, deposits and other current assets	287,037	360,909
TOTAL CURRENT ASSETS	2,047,661	1,974,628
PROPERTY AND EQUIPMENT		
Furniture and fixtures	143,458	144,326
Computer equipment, office equipment and software	297,472	632,424
Leasehold improvements	28,586	28,586
	469,516	805,336
Less accumulated depreciation and amortization	364,422	669,642
PROPERTY AND EQUIPMENT, NET	105,094	135,694
OTHER ASSETS		
Preproduction costs	82,744	77,874
Trademark costs	11,840	11,840
	94,584	89,714
Less accumulated amortization	79,391	73,768
TOTAL OTHER ASSETS, NET	15,193	15,946
TOTAL ASSETS	**$ 2,167,948**	**$ 2,126,268**

See accompanying notes to financial statements.

Statements of Financial Position

LIABILITIES AND NET ASSETS	For the years ending June 30 2015 (Reviewed)	2014 (Reviewed)
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	$ 214,727	$ 174,954
Accrued payroll and related liabilities	66,116	78,793
Deferred revenue	794,574	819,963
TOTAL CURRENT LIABILITIES	1,075,417	1,073,710
Refundable advance	—	12,000
TOTAL LIABILITIES	1,075,417	1,085,710
NET ASSETS		
Unrestricted		
Board designated	200,486	181,313
Undesignated	892,045	859,245
	1,092,531	1,040,558
TOTAL LIABILITIES AND NET ASSETS	**$ 2,167,948**	**$ 2,126,268**

See accompanying notes to financial statements.

Statements of Activities

	For the years ending June 30	
	2015 (Reviewed)	**2014** (Reviewed)
UNRESTRICTED REVENUE		
Membership/subscriptions	$ 897,883	$ 933,555
Publications	302,976	343,524
Annual conference	1,398,136	1,093,371
Professional development programs	563,412	317,705
Contribution income	21,379	30,379
Contributed services	95,412	53,319
Miscellaneous income	22,188	41,992
Advertising revenue	105,632	107,074
Sponsor revenue	172,582	139,244
TOTAL REVENUE	3,579,600	3,060,163
COST OF GOODS SOLD	112,338	180,570
GROSS PROFIT	3,467,262	2,879,593
EXPENSES		
Program Services:		
Membership	484,023	618,145
Publications	110,855	213,782
Annual conference	1,094,321	1,167,882
Other professional development programs	605,217	461,582
Advocacy and association development	536,605	589,416
Total program services	2,831,021	3,050,807
Management and general	593,089	602,588
TOTAL EXPENSES	3,424,110	3,653,395
OPERATING GAIN (LOSS)	**43,152**	**(773,802)**

See accompanying notes to financial statements.

Statements of Activities

	For the years ending June 30	
	2015 (Reviewed)	**2014** (Reviewed)
LOSS ON SALE OF PROPERTY AND EQUIPMENT	(184)	(19,535)
INVESTMENT INCOME AND LOSSES		
Interest and dividends	30,460	40,248
Realized and unrealized investment gaines (losses), net	(21,455)	18,247
NET INVESTMENT INCOME	9,005	58,495
INCREASE (DECREASE) IN UNRESTRICTED NET ASSETS	51,973	(734,842)
NET ASSETS, beginning of year	1,040,558	1,775,400
NET ASSETS, end of year	$ 1,092,531	$ 1,040,558

See accompanying notes to financial statements.

Statements of Cash Flows

	For the years ending June 30	
	2015 (Reviewed)	**2014** (Reviewed)
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets	$ 51,973	$ (734,842)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities		
Depreciation and amortization	61,621	159,094
Loss on disposal of property and equipment	184	19,535
Inventory write-downs and change to reserve	1,105	(74,500)
Realized and unrealized investment (gains) losses, net	21,455	(18,247)
(Increase) decrease in:		
Accounts receivable, net	(6,397)	8,322
Publications inventory, net	(2,381)	143,936
Prepaid expenses, deposits and other current assets	73,872	(11,971)
Increase (decrease) in:		
Accounts payable and accrued liabilities	39,773	(14,207)
Accrued payroll and related liabilities	(12,677)	2,890
Deferred revenue	(25,389)	(37,628)
Refundable advance	(12,000)	(12,000)
NET CASH PROVIDED (USED IN) OPERATING ACTIVITIES	191,139	(569,618)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property and equipment	(25,582)	(97,040)
Trademark costs	(4,870)	—
Purchases of investments	(29,984)	(634,889)
Sales of investments	149,900	1,112,301
NET CASH PROVIDED BY INVESTING ACTIVITIES	89,464	380,372

See accompanying notes to financial statements.

Statements of Cash Flows

	For the years ending June 30	
	2015 (Reviewed)	**2014** (Reviewed)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	280,603	(189,246)
CASH AND CASH EQUIVALENTS, beginning of year	368,727	557,973
CASH AND CASH EQUIVALENTS, end of year	$ 649,330	$ 368,727
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION		
Cash paid during the year for interest	—	$ 214

See accompanying notes to financial statements.

Notes to Financial Statements

NOTE A - Summary of significant accounting policies

Organization

The Association, a non-profit organization, is dedicated to the growth of middle-level education. The Association's responsibilities include offering the latest information available to the middle-level educators, documenting research, and supporting ideas and education innovations needed to reach a community, school or student. The Association also publishes and distributes training and classroom educational materials that assist parents, teachers and administrators in understanding young adolescents and the middle-school concept. Additionally, the Association provides representation, at the national level, on issues affecting middle-level educators.

The Association has a number of state and foreign affiliates. The Association collects and remits annual dues for some of these affiliates. The Association also provides various consulting and collaborations on program activities to its affiliates, however, the Association does not control nor is legally responsible for these affiliates or their activities.

Cash and cash equivalents

For purposes of reporting cash flows, cash and cash equivalents include cash on hand, demand deposits, and money market accounts and highly liquid investments with original maturities of three months or less. At times these balances exceed federally insured limits.

Investments

Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statement of financial position. Realized and unrealized gains and losses are included in arriving at the change in net assets. Investment income and gains restricted by a donor are reported as increases in unrestricted net assets if the restrictions are met (either by passage of time or by use) in the reporting period in which the income and gains are recognized. Investments include exchange traded funds and mutual funds.

The Association has an investment policy to provide guidelines for the investment of funds held by the Association. The investment policy divides the funds into three separate investment pools to manage investment risk and optimize investment returns within acceptable risk parameters. The three investment pools include the Operating Fund, the Short-Term Fund and the Long-Term Fund. The Operating Fund includes, at a minimum, 10% of the current year's expense budget and the objective is to preserve capital through assets that are readily accessible without penalty at all times. The Short-Term Fund currently includes, at a minimum, 30% of the current year's expense budget and the objective is to meet the expenses occurring as the result of unanticipated activities or planned capital expenditures during the next three years, improve the return on funds held for possible disbursements during the next one to three years and to manage investment risk all through assets placed in low risk instruments with a maturity of less than 10 years and a duration less than 8 years. The assets in excess of the Operating and Short-Term Fund are placed in the Long-Term Fund with an objective to maintain the financial stability of the Association, enhance the purchasing power of funds held for future expenditure and to provide current income and capital appreciation through assets invested in domestic or international equities, fixed income or cash.

Notes to Financial Statements

NOTE A - Summary of significant accounting policies (continued)

Accounts receivable, deferred revenue and revenues

The primary revenue generating operating categories are as follows:

Membership dues
Dues are assessed at various times during the year based on when the memberships are initially registered or renewed and a form of payment is received. Annual dues are recorded as deferred revenue liabilities initially in the first month of the membership and then recognized as revenue on a pro-rata basis each month over 12 months. Subscription revenue is initially recorded as a deferred revenue liability and then recognized as revenue on a pro-rata basis each month over the term of the subscription period.

Publications
The Association issues various publications that are available for purchase by individual members and schools. Revenue is recognized for these publications when they are invoiced and shipped to the member.

Annual conference
The Association offers a major annual conference held each fall. Registration fees are received in advance of the conference and accordingly, recorded as a deferred revenue liability and then recognized as revenue entirely in the month of the conference. Sponsorship, advertising and booth rental fees are also typically received in advance and are recorded as a deferred revenue liability until the conference occurs.

Professional development programs
The Association holds various other leadership programs and seminars during the year. Registration fees received in advance of the program are recorded as deferred revenue liabilities until the month the program is held at which time the fees are recognized as revenue.

All receivables are considered past due 30 days after any invoice is rendered. The Association does not charge interest on any overdue accounts.

The Association utilizes the allowance method to recognize potentially uncollectible amounts based on management's estimation of the amount that may not be collected. The estimation takes into consideration overall historical trends as well as past history with specific members. Actual results could vary from the estimates. Accounts are charged against the allowance when management deems them to be uncollectible. The allowance for doubtful accounts was $5,000 at both June 30, 2015 and 2014.

Publications inventory

Publications inventory, which consists primarily of training materials and classroom educational materials, are all finished products and are carried at the lower of cost or market, determined on a first-in, first-out basis. Management periodically reviews inventory balances for obsolescence, and determines if a reserve is appropriate.

Notes to Financial Statements

NOTE A - Summary of significant accounting policies (continued)

Property and equipment

Property and equipment are carried at cost, less accumulated depreciation and amortization. Depreciation and amortization is computed using the straight-line method over estimated useful lives ranging from three to seven years. Major acquisitions and improvements are capitalized and depreciated. Maintenance and repairs that do not improve or extend the life of the respective assets are charged to expense as incurred. Upon disposal of assets, the cost and related accumulated depreciation or amortization are removed from the accounts and any gain or loss is reflected in the statements of activities. Depreciation expense for the years ending June 30, 2015 and 2014 was $55,998 and $144,118, respectively.

Preproduction costs

The Association capitalizes preproduction costs associated with new publications. These costs are amortized over the useful lives of the products, which were determined to be three to five years. Amortization expense was $4,438 and $13,793 for the fiscal years ended June 30, 2015 and 2014, respectively.

Trademark costs

The Association capitalizes legal costs related to securing new trademarks and renewing existing trademarks. These costs are amortized over the useful lives of the trademarks. Amortization expense was $1,183 in both fiscal years ended June 30, 2015 and 2014, respectively.

Impairment of assets

The carrying value of long-lived assets is reviewed for impairment whenever events or changes in circumstances indicate the amount of the assets may not be recoverable. When an indication of impairment is present and the undiscounted cash flows estimated to be generated by the related assets are less than the assets' carrying amount, an impairment loss will be recorded based on the difference between the carrying amount of the assets and their estimated fair value. Management determined that no impairment existed at June 30, 2015 or 2014.

Description of net asset classes

The Association reports information regarding its financial position and activities according to the following three classes of net assets:

Unrestricted
Unrestricted net assets have no restrictions imposed by donors.

Temporarily restricted
Temporarily restricted net assets are those whose use by the Association has been limited by donors to a specific time period or purpose. The Association had no temporarily restricted net assets at June 30, 2015 or 2014.

Permanently restricted
Permanently restricted net assets are assets restricted by donors to be maintained in perpetuity. The Association had no permanently restricted net assets at June 30, 2015 or 2014.

Notes to Financial Statements

NOTE A - Summary of significant accounting policies (continued)

Contributions

Contributions, including pledges and certain grants, are recognized in the year that the unconditional contribution is made. Conditional pledges are not recognized until the pledge can be considered legally enforceable or the likelihood of the condition not occurring is remote. Contributions received are recorded as unrestricted, temporarily restricted or permanently restricted revenue depending on the existence or nature of any donor restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities as satisfaction of donor restrictions.

Contributions of property and equipment and of investments are recorded at fair value at the date of donation. If donors stipulate a term of use of assets, the contributions are recorded as restricted revenue. In the absence of such stipulation, contributions are recorded as unrestricted revenue.

Contributed services

Contributed services are recorded when they meet the criteria of (1) creating or enhancing non-financial assets or (2) requiring specialized skills, and are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation.

The Association receives contributed advertising services and speaker services. The value of contributed services was $95,412 and $53,319 for the years ended June 30, 2015 and 2014.

Shipping and handling costs

Shipping and handling costs for publications and magazine subscriptions are recognized when incurred.

Advertising

The Association expenses advertising costs as incurred, except for direct-response advertising, which is capitalized and amortized over its expected period of future benefits. Direct-response advertising primarily consists of the Association using advertising to promote its programs among the audiences it serves through use of mailers, brochures, and magazine advertisements. The capitalized advertising costs are amortized at the time the program occurs. At June 30, 2015 and 2014, $66,263.and $15,900, respectively, of direct-response advertising costs were capitalized within prepaid expenses, on the statements of financial position. Advertising expense was $158,785 and $76,304 for fiscal years ended 2015 and 2014, respectively.

Notes to Financial Statements

1. Summary of significant accounting policies (continued)

Income taxes

The Association is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code. Income taxes on unrelated businesses income, if any, are provided at the applicable rates on income for financial reporting purposes. No tax on unrelated business income was incurred in fiscal years ending June 30, 2015 and 2014.

The Association accounts for uncertainty in income taxes using the provisions of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 740, *Income Taxes*. Using that guidance, tax positions initially need to be recognized in the financial statements when it is more-likely-than-not the positions will be sustained upon examination by the tax authorities. As of June 30, 2015, the Association had no uncertain tax positions that require either recognition or disclosure in the financial statements.

The Association's income tax filings are subject to audit by various taxing authorities. The open audit periods are for the fiscal years ended in 2012 through the current 2015 tax year. In evaluating income tax exempt activities, management believes its position of tax-exempt status is current based on current facts and circumstances.

It is the policy of the Association to include in operating expense, penalties and interest assessed by income taxing authorities. There are no penalties or interest from taxing authorities included in operating expenses for the years ended June 30, 2015 and 2014.

Use of estimates

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

Subsequent events

The Association has evaluated events and transactions that occurred between July 1, 2015 and October 6, 2015, which is the date that the financial statements were available to be issued for possible recognition or disclosure in the financial statements.

Notes to Financial Statements

2. Fair value measurements and investments

The accounting principles generally accepted in the United States of America establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value.The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobserved inputs (Level 3 measurements). The three levels of the fair value hierarchy under FASB ASC 820 *Fair Value Measurement* are described below:

Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Association has the ability to access.

Level 2: Inputs to the valuation methodology includes:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3: Inputs to this valuation methodology are unobservable and significant to the fair value measurements.

The asset's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for investment assets measured at fair value. There have been no changes in the methodologies used during fiscal years ending June 30, 2015 and 2014.

Mutual funds:

Valued at the net asset value of shares or units held by the Association at year-end.

Notes to Financial Statements

2. Fair value measurements and investments (continued)

Exchange traded funds:

Valued at the closing price reported on the active markets in which the exchange traded fund is traded.

The methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Association believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table sets forth by level, within the fair value hierarchy, the Association's investment assets at fair value as of June 30, 2015:

	Fair Value Measurements at Reporting Date Using:			
	Level 1	**Level 2**	**Level 3**	**Total**
Exchange traded funds:				
Short term bond	$ 311,987	$ —	$ —	**$ 311,987**
Mutual funds:				
Short term bond	429,148	—	—	**429,148**
Bank loan fund	172,812	—	—	**172,812**
Total	$ 913,947	—	—	**$ 913,947**

The following table sets forth by level, within the fair value hierarchy, the Association's investment assets at fair value as of June 30, 2014:

	Fair Value Measurements at Reporting Date Using:			
	Level 1	**Level 2**	**Level 3**	**Total**
Exchange traded funds:				
Short term bond	$ 459,988	$ —	$ —	**$ 459,988**
Mutual funds:				
Short term bond	423,511	—	—	**423,511**
Bank loan fund	171,819	—	—	**171,819**
Total	$ 1,055,318	—	—	**$ 1,055,318**

Notes to Financial Statements

3. Publications inventory

Management increased the reserve for inventory obsolescence by approximately $1,105 during the year ended June 30, 2015. During the year ended June 30, 2014 the inventory reserve was reduced by approximately $74,300. These transactions are reflected in cost of goods sold on the statements of activities. The inventory reserve was $1,805 and $700 at June 30, 2015 and 2014, respectively.

4. Prepaid expenses, deposits and other current assets

Prepaid expenses, deposits, and other current assets consist of the following at June 30,

	2015	2014
Conference expenses	$ 170,220	$ 223,339
Insurance	20,214	13,403
Postage	382	308
Software maintenance	15,036	25,344
Advertising	66,265	58,685
Other	14,920	39,830
Total	$ 287,037	$ 360,909

5. Line of credit

In March 2013, the Association entered into a line of credit agreement with a bank, with a maximum available amount of $100,000 with interest payable monthly at a rate of prime plus 2.5%. The line of credit is non-collateralized. The agreement is currently extended until March 2016. As of June 30, 2015 and 2014, there was no outstanding balance on the line of credit.

Notes to Financial Statements

6. Deferred revenue

Deferred revenue liabilities are as follows at June 30:

	2015	2014
Conference:		
Annual conference registration	$ 76,121	$ 70,915
Other registrations	47,244	119,303
Sponsorships	56,685	120,000
Miscellaneous annual conference	2,134	1,511
Exhibitors	131,045	77,775
Royalties	843	844
Subscriptions	37,963	45,512
Membership dues	430,5393	372,103
Refundable advance current portion	12,000	12,000
Total deferred revenue	$ 794,574	$ 819,963

7. Net assets

Net assets are comprised of the following components at June 30:

	2015	2014
Unrestricted - undesignated	$ 892,045	$ 859,245
Unrestricted - board designated:		
Foundation Fund	$ 200,486	$ 181,313
Total net assets	$ 1,092,531	$ 1,040,558

The Foundation Fund is segregated by the Association as a quasi-endowment to support the mission and purposes of the Association. The Foundation Fund committee recommends Foundation Fund expenditures to the Association's Board of Trustees for approval. All projects must adhere to the purpose and philosophy of the Foundation Fund. Expenditures typically consist of grants to educators. The Foundation Fund is included within the Association's investments and therefore falls within the investment policy of the Association.

Notes to Financial Statements

7. Net assets (continued)

Activity within the Foundation Fund was as follows for the years ended June 30:

	2015	2014
Beginning balance	$ 181,313	$ 142,027
Contributions	21,379	35,699
Investment income	3,246	9,756
Grant expense	(4,000)	(3,000)
Other expenses	(1,452)	(3,169)
Ending balance	$ 200,486	$ 181,313

8. Membership/subscriptions revenue

Membership/subscriptions revenue consists of the following for the years ended June 30:

	2015	2014
Membership dues	$ 807,712	$ 850,570
Subscriptions	90,171	82,985
Total	$ 897,883	$ 933,555

9. Shipping and handling costs

Publication shipping and handling costs of approximately $38,000 and $58,000 for the years ended June 30, 2015 and 2014, respectively, are included in cost of goods sold on the statements of activities. Shipping and handling costs for magazine subscriptions are included in membership expenses on the same statement and totaled approximately $34,000 and $43,000 for the years ended June 30, 2015 and 2014, respectively.

Notes to Financial Statements

10. Operating leases

The Association leases its office space and photocopiers under operating leases. Total rent expense was approximately $68,000 and $131,000 for fiscal years ended June 30, 2015 and 2014, respectively. In addition, the headquarters office lease requires an additional rent for real estate taxes, operating expenses, janitorial services and management fees for the property. These office-related rents were approximately $73,000 and $89,000 for the years ended June 30, 2015 and 2014, respectively.

The office lease has renewed on March 17, 2014 and is set to expire at the end of September, 2019. Future minimum lease payments, excluding additional rent charges, required under non-cancellable operating leases that have initial or remaining lease terms in excess of one year at June 30, 2015 are as follows:

2016	$ 80,143
2017	82,295
2018	84,446
2019	86,598
2020	22,053
Total	$ 355,534

Effective July 1, 2009, the Association entered into a subleasing arrangement for a portion of their office space to an unrelated organization. The sublease agreement was terminated effective March 30, 2014. Rental income earned for the years ended June 30, 2015 and 2014 was approximately $0 and $18,000, respectively and is included in miscellaneous income in the statements of activities.

11. Retirement plans

The Association maintains two separate retirement plans: a defined contribution plan and a 403(b) plan. The defined contribution plan covers all eligible employees. During 2014 and 2015, the Association made contributions of 5% of the employee's compensation. The Association's optional tax savings 403(b) annuity program allows employees to defer a portion of their wages on a before-tax basis.

Total expense to the Association was approximately $56,000 and $57,000 for the years ended June 30, 2015 and 2014, respectively.

12. Commitments and long-term service contracts

The Association enters into contracts with various vendors, including conference site, for future conferences. The contracts provide penalty charges if the conference is cancelled by the Association. At June 30, 2015 the maximum potential cancellation penalties for conferences through June 30, 2019 totaled approximately $940,000..

The Association entered into a five year service agreement with a provider of online membership and marketing management systems that expires in August of 2019. Charges vary based on several factors including number of users and data storage needs and currently total approximately $5,000 per month.