WASHINGTON POISON CENTER

FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2022 AND 2021

CPAs | CONSULTANTS | WEALTH ADVISORS

CLAconnect.com

WASHINGTON POISON CENTER
TABLE OF CONTENTS
YEARS ENDED JUNE 30, 2022 AND 2021

INDEPENDENT AUDITORS' REPORT

Board of Directors
Washington Poison Center
Seattle, Washington

Report on the Audit of Financial Statements

Opinion

We have audited the accompanying financial statements of Washington Poison Center (a nonprofit corporation), which comprise the statements of financial position as of June 30, 2022 and 2021, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Washington Poison Center as of June 30, 2022 and 2021, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Washington Poison Center and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Washington Poison Center's ability to continue as a going concern for one year after the date the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit 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 Washington Poison Center's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Washington Poison Center's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Bellevue, Washington
December 13, 2022

WASHINGTON POISON CENTER
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2022 AND 2021

	2022	2021
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	$ 3,656,531	$ 3,619,047
Grants and Other Receivables	435,002	445,453
Inventories	13,149	15,512
Prepaids and Other Assets	29,557	7,687
Total Current Assets	4,134,239	4,087,699
EQUIPMENT AND LEASEHOLD IMPROVEMENTS, NET	212,216	305,658
Total Assets	$ 4,346,455	$ 4,393,357
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts Payable	$ 19,332	$ 19,776
Accrued Liabilities	282,892	247,173
Current Portion of Capital Lease Obligations	5,381	8,999
Total Current Liabilities	307,605	275,948
DEFERRED LEASE LIABILITY	40,627	63,071
Total Liabilities	348,232	339,019
NET ASSETS		
Without Donor Restrictions	3,998,223	4,054,338
Total Net Assets	3,998,223	4,054,338
Total Liabilities and Net Assets	$ 4,346,455	$ 4,393,357

WASHINGTON POISON CENTER
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
PUBLIC SUPPORT AND REVENUE			
Grants and Contracts Revenue	$ 3,935,183	$ -	$ 3,935,183
Contributions	400,437	-	400,437
Other Revenue	84,606	-	84,606
In-Kind Contributions	29,000	-	29,000
Interest Income	3,498	-	3,498
Total Public Support and Revenue	4,452,724	-	4,452,724
EXPENSES			
Program Services	3,716,595	-	3,716,595
Management and General	736,636	-	736,636
Fundraising	55,608	-	55,608
Total Expenses	4,508,839	-	4,508,839
CHANGE IN NET ASSETS	(56,115)	-	(56,115)
Net Assets - Beginning of Year	4,054,338	-	4,054,338
NET ASSETS - END OF YEAR	$ 3,998,223	$ -	$ 3,998,223

See accompanying Notes to Financial Statements.

WASHINGTON POISON CENTER
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
PUBLIC SUPPORT AND REVENUE			
Grants and Contracts Revenue	$ 4,070,165	$ -	$ 4,070,165
Contributions	459,962	-	459,962
Other Revenue	77,255	-	77,255
In-Kind Contributions	29,000	-	29,000
Interest Income	3,423	-	3,423
Net Assets Released from Purpose Restrictions	16,747	(16,747)	-
Total Public Support and Revenue	4,656,552	(16,747)	4,639,805
EXPENSES			
Program Services	3,494,864	-	3,494,864
Management and General	542,234	-	542,234
Fundraising	46,103	-	46,103
Total Expenses	4,083,201	-	4,083,201
CHANGE IN NET ASSETS	573,351	(16,747)	556,604
Net Assets - Beginning of Year	3,480,987	16,747	3,497,734
NET ASSETS - END OF YEAR	$ 4,054,338	$ -	$ 4,054,338

See accompanying Notes to Financial Statements.

WASHINGTON POISON CENTER
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2022

	Program Services	Management and General	Fundraising	Total
Salaries and Wages	$ 2,616,424	$ 529,072	$ 19,395	$ 3,164,891
Payroll Taxes	208,470	60,621	-	269,091
Employee Benefits	282,804	72,899	-	355,703
Total Salaries, Taxes, and Benefits	3,107,698	662,592	19,395	3,789,685
Maintenance and Service	94,385	492	-	94,877
Occupancy	101,356	17,843	-	119,199
Printing and Publications	1,591	295	-	1,886
Medical Direction	64,250	-	-	64,250
Telephone	24,000	-	-	24,000
Professional Fees	110,467	22,555	-	133,022
Depreciation and Amortization	78,843	14,600	-	93,443
Travel	11,478	-	-	11,478
Supplies	-	2,897	-	2,897
Miscellaneous	10,955	3,711	213	14,879
Insurance	29,556	5,473	-	35,029
Advertising and Marketing	8,274	-	-	8,274
Human Resources	26,518	3,769	-	30,287
Lobbying	-	-	36,000	36,000
Educational Materials	34,203	-	-	34,203
Staff Development	10	-	-	10
Postage and Shipping	4,860	900	-	5,760
Memberships	8,151	1,509	-	9,660
Total Expenses	$ 3,716,595	$ 736,636	$ 55,608	$ 4,508,839

See accompanying Notes to Financial Statements.

WASHINGTON POISON CENTER
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2021

	Program Services	Management and General	Fundraising	Total
Salaries and Wages	$ 2,441,479	$ 382,594	$ 16,401	$ 2,840,474
Payroll Taxes	185,285	38,866	158	224,309
Employee Benefits	260,650	58,613	184	319,447
Total Salaries, Taxes, and Benefits	2,887,414	480,073	16,743	3,384,230
Maintenance and Service	98,926	568	33	99,527
Occupancy	101,006	16,153	563	117,722
Printing and Publications	1,779	296	10	2,085
Medical Direction	103,837	-	-	103,837
Telephone	24,000	-	-	24,000
Professional Fees	100,397	18,721	592	119,710
Depreciation and Amortization	81,319	13,520	472	95,311
Travel	3,595	3	-	3,598
Supplies	1,880	1,830	315	4,025
Miscellaneous	4,397	715	14	5,126
Insurance	24,732	4,112	143	28,987
Advertising and Marketing	10,391	-	-	10,391
Human Resources	23,790	3,955	138	27,883
Lobbying	-	-	27,000	27,000
Educational Materials	13,343	-	-	13,343
Staff Development	293	-	-	293
Postage and Shipping	3,773	627	22	4,422
Memberships	9,992	1,661	58	11,711
Total Expenses	$ 3,494,864	$ 542,234	$ 46,103	$ 4,083,201

See accompanying Notes to Financial Statements.

WASHINGTON POISON CENTER
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2022 AND 2021

	2022	2021
RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Change in Net Assets	$ (56,115)	$ 556,604
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities		
Depreciation and Amortization	93,443	95,311
Change in Assets and Liabilities:		
Grants and Other Receivables	10,451	127,522
Inventories	2,363	3,249
Prepaids and Other Assets	(21,870)	7,470
Accounts Payable	(444)	3,534
Accrued Liabilities	35,719	(139,105)
Deferred Lease Liability	(22,444)	(18,614)
Net Cash Provided by Operating Activities	41,103	635,971
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of Equipment and Leasehold Improvements	-	(50,648)
Net Cash Used by Investing Activities	-	(50,648)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayments on Capital Lease Obligations	(3,619)	(4,688)
Net Cash Used by Financing Activities	(3,619)	(4,688)
CHANGES IN CASH AND CASH EQUIVALENTS	37,484	580,635
Cash and Cash Equivalents - Beginning of Year	3,619,047	3,038,412
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 3,656,531	$ 3,619,047
SUPPLEMENTAL DISCLOSURE		
Noncash Purchases of Equipment Through Capital Lease Obligations	$ -	$ 9,504

See accompanying Notes to Financial Statements.

NOTE 1 ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

Organization

The Washington Poison Center (the Center) is an independent, 501(c)(3), nonprofit organization that provides emergency management and safety information on chemical, pharmaceutical, and natural substances to the general public and to health care providers throughout Washington State. A professional staff of pharmacists, nurses, and poison information providers is available 24 hours a day, 365 days per year and is supported by a physician medical toxicologist. Residents and health care providers throughout the state utilize the services of the Center to manage crises, including accidental pediatric ingestions, food poisonings, abuse, and intentional overdose. With 122,111 calls 61,603 cases managed in the current year, the Center is currently one of the highest call-volume poison centers in the country.

As one of 55 poison centers nationwide, the Center is the public health safety net for poison and toxic exposures in Washington State. The Center's unique wraparound care model follows patients from initial call to resolution, with a dedicated expert level team of certified specialists in poison information checking in every step of the way.

The Center serves as a resource for public policy makers and public health leaders in forecasting emerging public health trends. The Center's medical staff is regularly called upon to present toxic trends and best practices in treatment to medical professionals throughout Washington State.

In addition to being the home of Mr. Yuk, the Center offers a wide variety of programs aimed at preventing harm from poisoning through expertise, collaboration, clinical and public health education. The Center's current programs include:

- Training of community health educators on poison prevention, medication safety, e-cigarettes, and more.
- Support for Public Health and Emergency Preparedness operations at the local, state, and federal level.
- Clinical rotations for emergency medical residents, medical students, occupational medicine fellows, paramedic students, nursing, and pharmacy students.
- Management of Take Back Your Medicine website.
- Public Health Education at health fairs, community events, and activities.
- Specific educational programs focused on selected vulnerable populations including young children, older adults, refugees, and non-English speaking populations.
- School assembly presentations and parent trainings.
- An afterhours answering service for local health jurisdictions (i.e. county departments of health)

NOTE 1 ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Organization (Continued)

- Older adult medication management program for patients and care givers.

Grants and Contracts from Government Agencies

A portion of Washington Poison Center's revenue is derived from cost reimbursable federal, state, county, and private contracts and grants, which are conditioned upon certain performance requirements and/ or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Center has incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as refundable advances in the statements of financial position. There were no refundable advances at June 30, 2022 and 2021. Amounts remaining under conditional grants from government agencies totaled approximately $120,280 and $38,000 for the years ending June 30, 2022 and 2021, respectively.

Revenue is earned when eligible expenditures, as defined in each grant or contract, are made. Revenue recognized from cost reimbursable federal, state, county, and private grants and contracts totaled $3,927,683 and $4,070,165 for the years ended June 30, 2022 and 2021, respectively. Expenditures under government contracts are subject to review by the granting authority. To the extent, if any, that such a review reduces expenditures allowable under these contracts, the Center will record such disallowance at the time the final assessment is made.

Basis of Presentation

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor- or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. The board of directors of the Center has established an operating reserve totaling $1,602,426 and $1,152,876 as of June 30, 2022 and 2021. These board-designated funds are a component of net assets without donor restrictions.

Net Assets With Donor Restrictions – Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. There were no net assets with donor restrictions at June 30, 2022 and 2021.

NOTE 1 ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation

Contributions restricted by donors are reported as increases in net assets with donor restrictions when received. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restriction. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are released from restriction when the assets are placed in service.

Cash and Cash Equivalents

Cash and cash equivalents consist of general checking, savings, money market accounts, and certificates of deposit. The Center maintains its cash and cash equivalents in bank accounts that may exceed federally insured limits at times during the year. The Center has not experienced any losses in these accounts, and management does not believe it is exposed to any significant credit risk.

Fair Value Measurements

In accordance with financial accounting standards, a three-tiered hierarchy of input levels is used for measuring fair value. Financial accounting standards define fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Valuation techniques utilized to determine fair value are consistently applied. The three tiers of inputs used for fair value measurements are as follows:

Level 1 – Fair values are based on quoted prices in active markets for identical assets and liabilities.

Level 2 – Fair values are based on observable inputs that include: quoted market prices for similar assets or liabilities; quoted market prices that are not in an active market; or other inputs that are observable in the market and can be corroborated by observable market data for substantially the full term of the assets.

Level 3 – Fair values are calculated by the use of pricing models and/or discounted cash flow methodologies, and may require significant management judgment or estimation. These methodologies may result in a significant portion of the fair value being derived from unobservable data.

The Center had no assets or liabilities carried at fair value on a recurring basis (at least annually) as of June 30, 2022 or 2021. Assets and liabilities carried at fair value on a nonrecurring basis using Level 2 inputs generally include donated materials and services. The Center also uses fair value concepts to test various long-lived assets for impairment.

Inventory

Inventory is stated at the lower of cost or market under the first-in, first-out method of accounting, and consists of educational materials.

NOTE 1 ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Promises to Give

Unconditional promises to give are recognized as support in the period received and as assets, decreases of liabilities, or expenses, depending on the form of the benefits received. Promises to give are stated at net realizable value. Conditional promises to give are recognized when the conditions on which they depend are substantially met. The Center had no unconditional or conditional promises to give as of June 30, 2022 and 2021.

Receivables

Receivables are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a charge to earnings and a credit to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts or pledges receivable. For the years ended June 30, 2022 and 2021, management expects to collect all receivables. Accordingly, no allowance for uncollectible amounts has been recorded.

Equipment and Leasehold Improvements

Equipment and leasehold improvements are stated at cost if purchased by the Center directly and fair value at the date of donation if received through donation. Depreciation and amortization are computed using the straight-line method over the estimated useful lives of the various assets, which range from three to seven years for equipment. Amortization on leasehold improvements is based on the shorter of the useful life of the asset or the term of the lease. The Center capitalizes all equipment and leasehold improvements with a purchase price or fair value of $1,500 or more. Equipment and leasehold improvements consisted of the following at June 30:

	2022	2021
Computer and Telephone Equipment	$ 462,971	$ 462,971
Furniture, Fixtures, and Office Equipment	196,293	196,293
Vehicle	27,880	27,880
Leasehold Improvements	100,958	100,958
Subtotal	788,102	788,102
Less: Accumulated Depreciation and Amortization	(575,886)	(482,444)
Net Equipment and Leasehold Improvements	$ 212,216	$ 305,658

In-Kind Contributions

The Center received the following in-kind contributions for the year ended June 30:

	2022	2021
Donated Space	$ 5,000	$ 5,000
Donated Phone	24,000	24,000
Total	$ 29,000	$ 29,000

NOTE 1 ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

In-Kind Contributions (Continued)

The Center periodically receives donated space, phone and services and reports those as in-kind contributions in the statements of activities. Donated space is valued at the fair value of similar properties available in commercial real estate listings. Donated phone is valued based on the local rate for similar phone services. Donated services are recorded only if specific professional expertise is provided or the services are for constructing a fixed asset, in accordance with financial accounting standards. No amounts have been recognized in the statements of activities for these donated services for 2021 or 2020 because the criteria for recognition have not been satisfied.

All donated assets were utilized by the Center's programs services. There were no donor-imposed restrictions associated with the donated assets.

Contributions

Contributions are recognized when cash, securities, or other assets, or an unconditional promise to give is received.

Other Revenue

Other revenue is earned primarily through education, studies, and data sales. Other revenue is earned at a point in time when the services and/or products are provided.

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statements of activities and of functional expenses. Where possible, specific expenses have been charged directly to the appropriate category. When functions are shared or costs are intermingled, expenses are allocated based on employee counts or estimated percentage of effort.

Advertising Expenses

The Center recognizes advertising expenses at cost as incurred.

Concentrations

The Center is primarily funded under various grants and contracts with federal, state, and local agencies. The Center's future viability may be dependent on continued funding from these sources. Grants and contracts from federal, state, and local agencies accounted for 88% of total public support and revenue for each of the years ended June 30, 2022 and 2021. As of June 30, 2022 and 2021, receivable from grants and contracts from federal, state, and local agencies accounted for 98% and 96%, respectively, of total grants and other receivables.

NOTE 1 ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 disclosures of contingent 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.

Federal Income Taxes

The Internal Revenue Service has recognized Washington Poison Center as exempt from federal income taxes under provision of Section 501(a) of the Internal Revenue Code as an entity described in Section 501(c)(3) and not as a private foundation.

Change in Accounting Principle

In September 2020, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. This standard requires that contributed nonfinancial assets are reported on a separate line item in the statements of activities, apart from contributions of cash and other financial assets. It also requires disclosure of disaggregated amounts of contributed nonfinancial assets by category that depicts the type of contributed nonfinancial assets along with additional qualitative information about the monetization of such assets, donor restrictions and valuation techniques. The adoption of this standard did not have any significant impact on the accompanying financial statements or disclosures.

NOTE 2 LIQUIDITY

The Center regularly monitors the availability of resources required to meet its operational needs and contractual obligations. Income from donor-restricted grants is restricted for specific purposes and all other revenue is available for general use. As part of the Center's liquidity management plan, the Center invests cash in excess of daily requirements in certificates of deposit and money market funds. As part of the Center's cash management policy, an operating reserve fund has been established to support on-going operations. The operating reserve balance was $1,602,426 and $1,152,876 as of June 30, 2022 and 2021.

The following table reflects the Center's financial assets as of June 30:

	2022	2021
Total Financial Assets	$ 4,091,533	$ 4,064,500
Less: Restrictions on the Use of Financial Assets:		
Board-Designated Net Assets for Operational Reserves	(1,602,426)	(1,152,876)
Financial Assets Available for Operations Within One Year	$ 2,489,107	$ 2,911,624

NOTE 3 GRANTS AND OTHER RECEIVABLES

Receivables are shown on the statements of financial position as follows at June 30:

	2022	2021	2020
Grants and Other Receivables			
Government Agencies			
(Non-Exchange Transactions)	$ 427,778	$ 429,268	$ 548,697
Program Services - Participants			
(Exchange Transactions)	7,224	16,185	24,278
	$ 435,002	$ 445,453	$ 572,975

NOTE 4 RETIREMENT PLAN

The Center has a 401(k) salary deferral plan for eligible employees who have 90 days of service and have attained the age of 21. For the years ended June 30, 2022 and 2021, the board of directors approved a company matching contribution of up to 4% of gross salary for employees who contribute to the plan after one year of employment. Total contributions to the plan for 2022 and 2021 were $85,347 and $73,341, respectively.

NOTE 5 OPERATING LEASE

In October 2018, the Center entered into a 61-month lease extension on their current office location which expires November 2023. The extension included one month of free rent and a $91,697 tenant improvement allowance. In accordance with financial accounting standards, rent expense is recognized on a straight-line basis and a related deferred lease liability was recorded. Rent expense, including common area charges, under the lease totaled $113,616 and $113,521 for the years ended June 30, 2022 and 2021, respectively.

Future minimum lease payments, deferred rent, and rent expense under the lease are as follows:

Year Ending June 30,	Minimum Lease Payment	Change in Deferred Lease Liability	Rent Expenses
2023	$ 138,518	$ (26,274)	$ 112,244
2024	58,567	(14,353)	44,214
Total	$ 197,085	$ (40,627)	$ 156,458

NOTE 6 CAPITAL LEASE OBLIGATIONS

The Center leases certain office equipment under noncancelable capital leases, with a total recorded cost of $27,709, and related accumulated depreciation of $27,709. Total monthly payments are $830, including interest of 4.5% to 6% per annum. Interest expense totaled $0 and $525 for the years ended June 30, 2022 and 2021, respectively. This capital lease was fully paid off during the year ended June 30, 2022.

NOTE 7 SUBSEQUENT EVENTS

Management has evaluated events occurring subsequent to June 30, 2022 through December 13, 2022, which is the date the financial statements were available to be issued and has recognized in the financial statements the effects of all subsequent events that provide additional evidence about conditions that existed at June 30, 2022, including the estimates inherent in the processing of financial statements.