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MANA NUTRITIVE AID PRODUCTS INCORPORATED

Financial Statements for the Years Ended
September 30, 2019 and 2018 and
Independent Auditors' Report

GreerWalker

GreerWalker

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of MANA Nutritive Aid Products Incorporated:

We have audited the accompanying financial statements of MANA Nutritive Aid Products Incorporated (the "Organization") which comprise the statement of financial position as of September 30, 2019, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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 from 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 auditors' 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 Organization'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 presentation 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.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of MANA Nutritive Aid Products Incorporated as of September 30, 2019, and the changes in its net assets and its cash flows for the year then ended in accordance with generally accepted accounting principles in the United States of America.

Prior Period Financial Statements

The financial statements of MANA Nutritive Aid Products Incorporated for the year ended September 30, 2018, before the restatement described in Note 13, were audited by other auditors whose report dated November 28, 2018, expressed an unmodified opinion on those statements. As part of our audit of the September 30, 2019 financial statements, we also audited the adjustments described in Note 13 that were applied to restate the 2018 financial statements. In our opinion, such adjustments are appropriate and have been properly applied. We were not engaged to audit, review, or apply any procedures to the 2018 financial statements of the Organization other than with respect to the adjustments and, accordingly, we do not express an opinion or any other form of assurance on the 2018 financial statements as a whole.

GreerWalker LLP

Certified Public Accountants
January 3, 2020
Charlotte, NC

MANA NUTRITIVE AID PRODUCTS INCORPORATED

STATEMENTS OF FINANCIAL POSITION
SEPTEMBER 30, 2019 AND 2018

ASSETS	2019	2018
CURRENT ASSETS:		
Cash and cash equivalents	$ 773,625	$ 1,937,559
Accounts receivable, net	2,094,771	1,389,736
Pledges receivable	-	800,000
Inventory, net	5,570,889	4,791,101
Prepaid expenses and other assets	329,357	286,361
Total current assets	8,768,642	9,204,757
PROPERTY, NET	9,263,878	8,831,191
DEPOSITS	5,071	5,071
TOTAL	$ 18,037,591	$ 18,041,019
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES:		
Current portion of notes payable	$ 387,723	$ 427,099
Accounts payable and accrued expenses	1,610,461	511,036
Total current liabilities	1,998,184	938,135
LONG-TERM LIABILITIES:		
Notes payable, less unamortized discount, loan costs and current portion	10,173,927	9,512,720
Interest rate swap liability	96,913	-
Total long-term liabilities	10,270,840	9,512,720
NET ASSETS:		
Without donor restrictions	4,606,471	5,867,976
With donor restrictions	1,162,096	1,722,188
Total net assets	5,768,567	7,590,164
TOTAL	$ 18,037,591	$ 18,041,019

See notes to financial statements.

MANA NUTRITIVE AID PRODUCTS INCORPORATED

STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED SEPTEMBER 30, 2019 AND 2018

	Year Ended September 30, 2019			Year Ended September 30, 2018		
	Without Donor Restriction	With Donor Restriction	Total	Without Donor Restriction	With Donor Restriction	Total
REVENUES AND SUPPORT:						
Product sales	$ 18,657,563	$ -	$ 18,657,563	$ 17,414,422	$ -	$ 17,414,422
Public and corporate support	1,106,801	189,080	1,295,881	332,274	1,078,599	1,410,873
Change in interest rate swap liability	(96,913)	-	(96,913)	-	-	-
Miscellaneous and other income	14,480	-	14,480	18,951	-	18,951
Released from restrictions	749,172	(749,172)	-	163,098	(163,098)	-
Total revenues and support	20,431,103	(560,092)	19,871,011	17,928,745	915,501	18,844,246
EXPENSES:						
Program services	20,628,214	-	20,628,214	17,615,572	-	17,615,572
Management and general	1,064,394	-	1,064,394	999,512	-	999,512
Total expenses	21,692,608	-	21,692,608	18,615,084	-	18,615,084
CHANGE IN NET ASSETS	$ (1,261,505)	$ (560,092)	$ (1,821,597)	$ (686,339)	$ 915,501	$ 229,162

See notes to financial statements.

MANA NUTRITIVE AID PRODUCTS INCORPORATED

STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEARS ENDED SEPTEMBER 30, 2019 AND 2018

	Year Ended September 30, 2019			Year Ended September 30, 2018		
	Program Services	Management and General	Total	Program Services	Management and General	Total
Product expenses	$ 15,451,801	$ -	$ 15,451,801	$ 14,161,738	$ -	$ 14,161,738
Product fulfillment	1,402,360	-	1,402,360	272,464	-	272,464
Compensation	897,830	542,178	1,440,008	1,046,579	546,044	1,592,623
Facilities expenses	358,661	27,970	386,631	620,121	26,335	646,456
Professional fees	66,155	124,856	191,011	15,455	97,064	112,519
Travel and entertainment	4,915	52,963	57,878	22,026	63,929	85,955
Insurance and fees	107,803	13,812	121,615	92,838	13,363	106,201
Fundraising and public relations	1,813	79,445	81,258	-	13,162	13,162
Communication expenses	19,558	7,151	26,709	19,495	7,594	27,089
Office expenses	45,837	18,635	64,472	47,580	24,267	71,847
Depreciation and amortization	787,504	8,714	796,218	608,705	21,915	630,620
Interest expense	176,859	164,129	340,988	43,095	165,410	208,505
Loss on disposal of assets	133,132	22,867	155,999	289,761	-	289,761
Other	83,091	1,674	84,765	375,715	20,429	396,144
Non-recurring write-off of inventory	1,090,895	-	1,090,895	-	-	-
Total expenses	$ 20,628,214	$ 1,064,394	$ 21,692,608	$ 17,615,572	$ 999,512	$ 18,615,084

See notes to financial statements.

MANA NUTRITIVE AID PRODUCTS INCORPORATED

STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEARS ENDED SEPTEMBER 30, 2019 AND 2018

	Without Donor Restrictions	With Donor Restrictions	Total
Net assets, as previously reported - October 1, 2017	$ 6,554,315	$ 181,761	$ 6,736,076
Prior period adjustment to recognize contribution of imputed interest	-	624,926	624,926
Net assets, as re-stated - October 1, 2017	6,554,315	806,687	7,361,002
Change in net assets for the year ended September 30, 2018	(686,339)	915,501	229,162
Net assets - September 30, 2018	5,867,976	1,722,188	7,590,164
Change in net assets for the year ended September 30, 2019	(1,261,505)	(560,092)	(1,821,597)
Net assets - September 30, 2019	$ 4,606,471	$ 1,162,096	$ 5,768,567

See notes to financial statements.

MANA NUTRITIVE AID PRODUCTS INCORPORATED

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED SEPTEMBER 30, 2019 AND 2018

	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	$ (1,821,597)	$ 229,162
Adjustments to reconcile change in net assets to net cash provided by (applied to) operating activities:		
Depreciation and amortization	796,218	630,620
Loss on disposition of property	155,999	289,761
Change in reserves and allowances	(1,165)	(15,246)
Contribution of imputed interest on notes payable	(189,080)	(174,680)
Amortization of discount on notes payable	155,625	163,098
Amortization of loan costs	7,450	-
Change in interest rate swap liability	96,913	-
Changes in operating assets and liabilities:		
Accounts receivable	(705,340)	401,970
Pledges receivable	800,000	(800,000)
Inventory	(778,318)	507,603
Prepaid expenses and other assets	(42,996)	(109,323)
Accounts payable and accrued expenses	1,099,425	(616,160)
Net cash provided by (applied to) operating activities	(426,866)	506,805
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of property	(1,388,904)	(3,197,172)
Proceeds from sale of property	4,000	-
Net cash applied to investing activities	(1,384,904)	(3,197,172)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from notes payable	920,322	2,912,519
Payments on note payable	(268,441)	(659,149)
Loan acquisition costs	(4,045)	-
Net cash provided by financing activities	647,836	2,253,370
NET CHANGE IN CASH AND CASH EQUIVALENTS	(1,163,934)	(436,997)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	1,937,559	2,374,556
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 773,625	$ 1,937,559

See notes to financial statements.

1. SUMMARY OF OPERATIONS AND SIGNIFICANT ACCOUNTING POLICIES

Operations - MANA Nutritive Aid Products Incorporated (the “Organization”) operates as a not-for-profit organization whose principal mission is to develop and provide solutions to address the root causes of malnutrition and its devastating effects. The Organization aims to prevent child deaths due to severe acute malnutrition by treating the condition through the production and distribution of fortified foods. MANA has developed and produces a ready-to-use therapeutic food (“RUTF”) in the form of a fortified peanut butter paste marketed under the “MANA” brand and under certain customers’ brands. RUTF’s like MANA provide severely malnourished children with the calories and nutrition they need to reach a healthy weight and fend off nutrition-related diseases and death. The Organization has focused marketing its product to current and future customers and on raising funds used predominately to provide its product to other organizations that treat severe acute malnutrition that otherwise couldn’t afford it.

Use of Accounting Estimates - The preparation of financial statements in conformity with generally accepted accounting principles in the United States of America requires management to make estimates and assumptions that affect the reported amounts of certain assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of support, revenues and expenses during the reporting period. Accordingly, the actual amounts could differ from those estimates. Any adjustments applied to estimated amounts are recognized in the year in which such adjustments are determined.

New Accounting Pronouncement - On August 18, 2016, the Financial Accounting Standards Board issued Accounting Standards Update ("ASU") 2016-14, Not-for-Profit Entities (Topic 958) - Presentation of Financial Statements of Not-for-Profit Entities. The update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. The ASU is effective for annual periods beginning after December 15, 2017. The Organization has adjusted the presentation of these financial statements accordingly. The changes to net asset classification have been applied retrospectively to all periods presented such that the temporarily restricted and permanently restricted net asset classes have been combined into a single net asset class called net assets with donor restrictions and the unrestricted net asset class has been renamed net assets without donor restrictions.

Financial Statement Presentation - The net assets of the Organization and changes therein are classified and reported as follows:

Net assets without donor restrictions - Net assets that are not restricted by donors or for which donor-imposed restrictions have expired.

Net assets with donor restrictions - Net assets that contain donor-imposed time or purpose restrictions that have not currently been met or contain donor-imposed restrictions stipulating that the amounts be maintained by the Organization in perpetuity.

Cash and Cash Equivalents - The Organization considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. The Organization maintains cash deposits with financial institutions that, at times, may exceed federally insured limits.

Accounts Receivable - The Organization extends credit to its customers. By their nature, these receivables involve risk, including the credit risk of nonperformance by customers. The Organization establishes allowances which management believes are adequate to absorb estimated losses to be incurred in realizing the recorded amounts of its receivables. As of September 30, 2019 and 2018, the Organization had allowances of $500 and $195, respectively.

Pledges Receivable - Contributions are recognized as revenue when a donor makes a promise that is, in substance, unconditional to give cash or property to the Organization. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if restrictions expire in the same fiscal year. All other donor-restricted net assets are reported as net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions. Contributions receivable are recorded at their estimated fair value. An allowance for uncollectible pledges receivable is provided based on management's judgment, including such factors as prior collection history and the nature of fundraising activities.

Inventory - Inventory is stated at the lower of average cost or net realizable value.

Property - Property is recorded at cost, if purchased and at estimated fair market value at the date of receipt if donated. Depreciation is computed using the straight-line method over the estimated useful lives of the related assets, which range from three years for computer equipment to thirty years for buildings. The Organization capitalizes expenditures for property and equipment over $1,000. Donated property is reported as unrestricted support unless the donor restricts the donated asset to a specific purpose.

Debt Issuance Costs - The Organization capitalizes costs associated with obtaining debt and amortizes the costs over the term of the related debt. Total amortization expense was $7,450 during the year ended September 30, 2019. Debt issuance costs, net of accumulated amortization, are netted against notes payable in the accompanying statements of financial position. Amortization of debt issuance costs is reported in the statements of functional expenses as interest expense.

Fair Value Measurement - Generally accepted accounting principles in the United States of America provide the 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 unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described as follows:

The inputs used for valuing the Organization's assets and liabilities are summarized in the three broad levels listed below:

- Level 1 - quoted prices in active markets for identical assets
- Level 2 - other significant observable inputs either directly or indirectly (including quoted prices for similar securities, interest rates, yield curves, credit risk, etc.)
- Level 3 - significant unobservable inputs

The asset or liability'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.

The inputs or methodology used for valuing the Organization's assets and liabilities are not necessarily an indication of the risk associated with those assets and liabilities.

Revenue Recognition - Revenue from product sales is recognized upon shipment, which is when title transfers.

Income Taxes - The Organization is a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code and, therefore, no provision for income taxes has been made in the accompanying financial statements.

The Organization records liabilities for income tax positions taken or expected to be taken when those positions are deemed uncertain to be upheld in an examination by taxing authorities. No liabilities for uncertain income tax positions were recorded as of September 30, 2019 and 2018.

Shipping and Handling Costs - The Company includes shipping and handling costs in product expenses, as incurred.

Functional Expense Classification - The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. All of the expenses are allocated on the basis of the cost of personnel related to each program or supporting function except for instructional supplies, cost of auxiliary activities, and other which are based on direct costs.

Donated Services - A number of volunteers, including members of the Board of Directors and its committees as well as various volunteer assistants, contribute significant amounts of time to further the Organization's programs. The value of this contributed time does not meet the criteria for recognition of contributed services and, accordingly, is not reflected as support in the accompanying financial statements. The Organization did receive donated inventory, legal and other professional services of approximately $98,000 and $58,000 for the years ended September 30, 2019 and 2018, respectively, that is recorded as support and related expenditures in the accompanying financial statements.

Reclassifications - Certain amounts in the 2018 financial statements have been reclassified to conform to 2019 presentation. Such reclassifications had no effect on the previously reported change in net assets.

Subsequent Events - In preparing its financial statements, the Organization has evaluated subsequent events through January 3, 2020, which is the date the financial statements were available to be issued.

2. LIQUIDITY AND AVAILABILITY

The table below represents financial assets available for general expenditures within one year at September 30, 2019:

Financial assets at year-end:	
Cash and cash equivalents	$ 773,625
Accounts receivable	2,094,771
Total financial assets	2,868,396
Less amounts not available to be used for general expenditures within one year:	
Restricted by donors with purpose restrictions	310,372
Financial assets not available to be used within one year	310,372
Financial assets available to meet general expenditures within one year	$ 2,558,024

As part of the Organization's liquidity management, it invests excess cash in readily-available financial instruments. Additionally, the Organization has $2,000,000 available under a line of credit agreement that can be used for operations (see Note 5).

3. INVENTORY

Inventory as of September 30, 2019 and 2018 consisted of the following:

	2019	2018
Raw materials	$ 1,516,150	$ 1,582,559
Finished goods	4,083,269	3,238,542
Subtotal	5,599,419	4,821,101
Less allowance for obsolescence	(28,530)	(30,000)
Total, net	$ 5,570,889	$ 4,791,101

4. PROPERTY

Property consisted of the following as of September 30, 2019 and 2018:

	2019	2018
Land	$ 35,739	$ 35,739
Buildings	5,488,852	2,031,329
Equipment and fixtures	7,326,995	6,243,440
Construction in progress	121,890	3,703,463
Subtotal	12,973,476	12,013,971
Less accumulated depreciation	(3,709,598)	(3,182,780)
Total, net	$ 9,263,878	$ 8,831,191

5. LINE OF CREDIT

The Organization has an available line of credit of up to $2,000,000, subject to borrowing base limitations, from a local financial institution. The line of credit is secured by accounts receivable and inventory, matures in September 2020, and is subject to interest on outstanding balances at LIBOR plus 3%. There were no borrowings outstanding under the line of credit as of September 30, 2019 and 2018.

6. NOTES PAYABLE

Notes payable as of September 30, 2019 and 2018 consisted of the following:

	2019	2018
Subordinated note payable to a foundation with a face amount of $7,000,000. The note is secured by accounts receivable and equipment, bears no interest, and is payable in five equal annual installments due thirty-six months from the next January after the foundation requests payment. At September 30, 2019, the earliest repayment can begin is January 2023. The Organization has imputed interest on the note at a rate of 2.4%, which resulted in discounts of $837,180 and $805,795 at September 30, 2019 and 2018, respectively.	$ 7,000,000	$ 7,000,000
Note payable to a foundation with a face amount of $1,000,000. One of the foundation's officers is a board member of the Organization. The note is secured by property, bears no interest, and is due in five equal annual installments, with the two remaining installments due in January 2021 and 2022. The Organization has imputed interest on the loan at a rate of 2.1%, which resulted in discounts of $14,544 and $12,474 at September 30, 2019 and 2018, respectively.	400,000	400,000
Construction note payable to a financial institution. The note is secured by a first position deed of trust in certain property. Beginning January 2019, the note requires equal monthly installments of $19,878 plus interest with the balance due upon maturity of the loan in August 2028. The interest rate is equal to the LIBOR Daily Floating Rate (1.82% as of September 30, 2019) plus 2%.	3,399,100	3,430,679

Note payable to a financial institution. The note is secured by equipment, bears interest at 8.34%, and is payable in monthly installments of principal and interest of $471 through July 2021.	9,575	14,214
Note payable to a financial institution. The note is secured by equipment, bears interest at 6.25%, and is payable in monthly installments of principal and interest of $15,309 through January 2024.	691,903	-
Note payable to a financial institution. The note bears interest at 4.45% and is payable in monthly installments of principal and interest of $431 in July 2019.	-	3,804
Total	11,500,578	10,848,697
Less debt issuance costs	(87,204)	(90,609)
Less discounts on notes payable	(851,724)	(818,269)
Less current portion	(387,723)	(427,099)
Noncurrent portion	$ 10,173,927	$ 9,512,720

Principal maturities of notes payable are as follows:

During the years ending September 30:	
2020	$ 387,723
2021	596,479
2022	601,954
2023	1,812,616
2024	1,695,373
Thereafter	6,406,433
Total	$ 11,500,578

Imputed interest expense of $155,625 and $163,098 is included in the accompanying statements of activities for the years ended September 30, 2019 and 2018, respectively. The Organization recognized imputed interest contributions in the accompanying statements of activities of $189,080 and $174,680 during the years ended September 30, 2019 and 2018, respectively, due to extensions to the repayment terms of the related notes payable. In addition, the Organization capitalized interest of approximately $16,000 and $34,000 during the years ended September 30, 2019 and 2018, respectively.

The line of credit and certain notes payable have certain restrictive covenants. As of September 30, 2019, the Organization was in compliance with such covenants.

7. INTEREST RATE SWAP LIABILITY

During the year ended September 30, 2019, the Organization began paying a fixed interest rate under an interest rate swap agreement with a bank related to its construction loan agreement. As of September 30, 2019, the Organization's interest rate swap agreement consisted of the following:

Original Notional Amount	Outstanding Notional	Fixed Payment Rate	Termination Date	Fair Value Liability
$ 2,250,000	$ 1,991,589	2.59%	December 2027	$ 96,913

The estimated fair value of the agreement is determined by broker quotations and represent the estimated amount that the Organization would pay or receive to terminate the agreement at the reporting date, taking into account current interest rates and creditworthiness of the counterparty. The estimated fair value does not necessarily reflect the potential gain or loss that would be realized on an actual settlement of the agreement.

As of September 30, 2019, the total estimated fair value of the Organization's derivative is included in long-term liabilities in the accompanying statement of financial position. The Organization has elected not to apply hedge accounting. Accordingly, a loss of $96,913 for the year ended September 30, 2019 is included in the accompanying statement of activities.

The Organization's measurement of fair value used Level 2 inputs, as defined in Note 1.

8. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions available for future periods or purposes as of September 30, 2019 and 2018 consisted of the following:

	2019	2018
Contributions with purpose restrictions	$ 310,372	$ 903,919
Imputed interest on notes payable	851,724	818,269
Total	$ 1,162,096	$ 1,722,188

Net assets released from donor restrictions during the years ended September 30, 2019 and 2018 consisted of the following:

	2019	2018
Contributions with purpose restrictions	$ 593,547	$ -
Imputed interest on notes payable	155,625	148,110
Total assets released from restrictions	$ 749,172	$ 148,110

9. OPERATING LEASES

The Organization leases warehouse space and office space under operating lease agreements. Lease expense for the years ended September 30, 2019 and 2018 was approximately $22,000 and $220,000, respectively. Future minimum payments due under the operating lease agreements is approximately $6,000 for the year ending September 30, 2020.

10. CONCENTRATIONS

Sales to the Organization's largest two customers accounted for approximately 96% and 95% of total product sales for the years ended September 30, 2019 and 2018, respectively. Accounts receivables due from one customer represented 100% of the accounts receivable balance as of September 30, 2019.

The Organization's support comes from a limited number of donors.

11. CONTINGENCIES

The Organization is involved in various claims or actions arising in the normal course of business. It is management's opinion that the resolution of these matters will not materially affect the Organization's financial position or the results of its operations.

12. RETIREMENT PLAN

The Organization has a defined contribution plan for all eligible employees. This retirement plan requires the Organization to match participants' contributions of up to 4% of participants' compensation. The retirement contributions by the Organization were approximately $68,000 and $71,000 for the years ended September 30, 2019 and 2018, respectively, and are included in compensation in the accompanying statements of functional expense.

13. PRIOR PERIOD ADJUSTMENTS

During fiscal year 2019, management determined that additional interest should be imputed on the noninterest-bearing notes payable due to extensions to the repayment terms of the notes that went into effect prior to September 30, 2018. As a result of this correction, beginning net assets were increased and notes payable were reduced by $624,926 on October 1, 2017 and the change in net assets for the year ended September 30, 2018 was increased by $50,427. These adjustments produced an increase in ending net assets and a decrease in notes payable of $675,353 at September 30, 2018.

14. SUPPLEMENTAL CASH FLOW

Supplemental cash flow information for the years ended September 30, 2019 and 2018 is approximately as follows:

	2019	2018
Cash paid for interest	$ 177,071	$ 45,407