

**SBP, Inc**  
**Explanations of Cash Flow Misstatement**

**For 2017 the cash flow was as follows**

	Balance Sheet Totals			Change	Change reported on Restated Cash Flow Statement
	2017	2016			
Construction in process	\$ 365,914	\$ 92,905	\$ (273,009)	\$	(273,009)
Real Estate Held for Sale	\$ 879,351	\$ 1,842,292	\$ 962,941	\$	962,941

*Previous version of financials*

*The change in construction in process and real estate held for rental was not update (the link on the financials did not update) and the adjustment for this was reflected in real estate held for sale*

	Change	
	Change Reported	Restated
Construction in process	\$ 1,164,820	\$ (273,009)
Real Estate Held for Sale	\$ (247,973)	\$ 962,941
Real Estate Held for Rental	\$ (226,915)	\$ -
Total Change	<u>\$ 689,932</u>	<u>\$ 689,932</u>

**For 2018 the cash flow was as follows**

	Balance Sheet Totals			Change	Change reported on Restated Cash Flow Statement
	2018	2017			
Construction in process	\$ 810,505	\$ 365,914	\$ (444,591)	\$	(444,591)
Real Estate Held for Sale	\$ 70,680	\$ 879,351	\$ 808,671	\$	490,513 <b>Note A</b>

**Note A**

The cash flow changes was reduced for the noncash transactions (recode of property) of \$318,158 This is for 1801 Caffin and 1812 Charbonette that were moved to rental property in 2018

*Previous version of financials*

*In error took the effect of the change of the status of two properties against CIP instead of real estate held for sale.*

	Change	
	Change Reported	Restated
Construction in process	\$ (126,432)	\$ (444,591)
Real Estate Held for Sale	\$ 172,354	\$ 490,513
Real Estate Held for Rental	\$ -	\$ -
Total Change	<u>\$ 45,922</u>	<u>\$ 45,922</u>