

**JANET H. & C. HARRY KNOWLES FOUNDATION, INC.
D/B/A KNOWLES TEACHER INITIATIVE**

Statements of Cash Flows

	Year Ended May 31	
	2017	2016
Cash flows from operating activities:		
Change in net assets	\$ (1,335,414)	\$ (7,463,515)
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Depreciation	177,428	204,827
Deferred federal excise tax	4,683	(24,907)
Change in present value discount	(111,906)	(137,002)
Net realized (gains) losses on sales of investments	(3,106,859)	309,164
Net unrealized depreciation (appreciation) in fair value of investments	(1,169,052)	2,490,736
Net change in:		
Accrued interest and dividends	5,529	(1,800)
Other receivable	19,934	184
Prepaid expenses	(74,807)	204,455
Unconditional promises to give	47,693	1,337,999
Other assets	2,122	749
Accounts payable and accrued expenses	119,637	(109,374)
Net cash used in operating activities	(5,421,012)	(3,188,484)
Cash flows from investing activities:		
Proceeds from sales of investments	27,829,376	10,952,601
Purchase of investments	(22,160,791)	(7,647,669)
Purchase of property and equipment	(43,956)	(994)
Net cash provided by investing activities	5,624,629	3,303,938
Cash flows from financing activities:		
Payments on mortgage note	(607,241)	(34,345)
Proceeds from (payments on) line-of-credit, net	(750,000)	1,750,000
Net cash provided by (used in) financing activities	(1,357,241)	1,715,655
Net increase (decrease) in cash and cash equivalents	(1,153,624)	1,831,109
Cash and cash equivalents at beginning of year	2,577,445	746,336
Cash and cash equivalents at end of year	\$ 1,423,821	\$ 2,577,445