

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

Statements of Cash Flows

	Year Ended May 31	
	2019	2018
Cash flows from operating activities:		
Change in net assets	\$ (4,870,962)	\$ 1,636,459
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Depreciation	180,940	176,303
Deferred federal excise tax	(26,894)	62,977
Change in present value discount	(89,700)	(89,700)
Net realized gains on sales of investments	(465,517)	(197,349)
Net unrealized depreciation (appreciation) in fair value of investments	2,689,405	(3,106,293)
Net change in:		
Accrued interest and dividends	(1,373)	(1,342)
Other receivable	(9,399)	5,680
Prepaid expenses	6,961	97,916
Unconditional promises to give	250,531	50,000
Accounts payable and accrued expenses	(35,501)	(157,315)
Net cash used in operating activities	(2,371,509)	(1,522,664)
Cash flows from investing activities:		
Proceeds from sales of investments	9,001,989	12,283,160
Purchase of investments	(7,927,525)	(10,217,750)
Purchase of property and equipment	(31,709)	(96,465)
Net cash provided by investing activities	1,042,755	1,968,945
Cash flows from financing activities:		
Proceeds from loan	-	5,000,000
Advances (payments) on line-of-credit, net	500,000	(4,500,000)
Net cash provided by financing activities	500,000	500,000
Net increase (decrease) in cash and cash equivalents	(828,754)	946,281
Cash and cash equivalents at beginning of year	2,370,102	1,423,821
Cash and cash equivalents at end of year	\$ 1,541,348	\$ 2,370,102
Supplemental disclosure of cash flow information:		
Cash paid during the year for interest	\$ 225,339	\$ 130,948