

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

Statement of Cash Flows

| | Year Ended May 31, | |
|--|-----------------------|---------------------|
| | 2021 | 2020 |
| Cash flows from operating activities: | | |
| Change in net assets | \$ 48,954,138 | \$ (2,632,565) |
| Adjustments to reconcile change in net assets to net cash used in operating activities: | | |
| Depreciation | 243,568 | 191,424 |
| Deferred federal excise tax | 263,661 | 3,061 |
| Change in present value discount | (306,916) | 7,029 |
| Net realized (gains) losses on sales of investments | (3,706,349) | 184,899 |
| Net unrealized appreciation in fair value of investments | (13,500,108) | (306,109) |
| Gain on forgiveness of PPP loan | (491,325) | - |
| Contributed securities | (34,964,723) | - |
| Changes in assets and liabilities: | | |
| Accrued interest and dividends | (10,047) | (6,813) |
| Other receivable | (10,299) | 5,103 |
| Prepaid expenses | 2,492 | (3,284) |
| Unconditional promises to give | 3,200,593 | (299,602) |
| Accounts payable and accrued expenses | 13,202 | 34,483 |
| | <u>(312,113)</u> | <u>(2,822,374)</u> |
| Net cash provided by (used in) operating activities | | |
| Cash flows from investing activities: | | |
| Proceeds from sales of investments | 18,908,991 | 20,826,569 |
| Purchases of investments | (19,411,264) | (16,996,242) |
| Purchases of property and equipment | (58,686) | (180,729) |
| | <u>(560,959)</u> | <u>3,649,598</u> |
| Net cash provided by (used in) investing activities | | |
| Cash flows from financing activities: | | |
| Proceeds from PPP loan payable | - | 491,325 |
| Repayments on line-of-credit | - | (500,000) |
| | <u>-</u> | <u>(8,675)</u> |
| Net cash used in financing activities | | |
| Net increase (decrease) in cash and cash equivalents | (873,072) | 818,549 |
| Cash and cash equivalents at beginning of year | <u>2,359,897</u> | <u>1,541,348</u> |
| Cash and cash equivalents at end of year | \$ 1,486,825 | \$ 2,359,897 |
| Supplemental disclosure of cash flow information: | | |
| Cash paid during the year for interest | <u>\$ 207,340</u> | <u>\$ 237,138</u> |