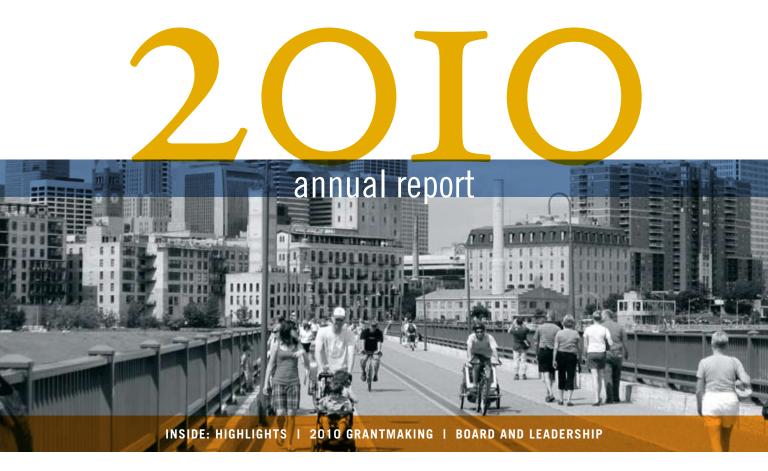
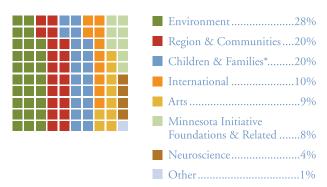
THE MCKNIGHT FOUNDATION YEAR AT A GLANCE

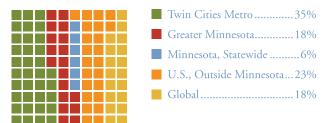


FUNDING BY PROGRAM AREA



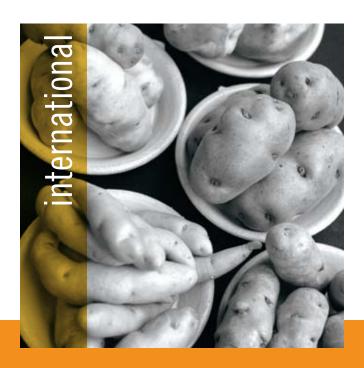
*Program discontinued in 2010.

FUNDING BY GEOGRAPHIC AREA



The McKnight Foundation, a Minnesota-based family foundation, seeks to improve the quality of life for present and future generations. Through grantmaking, coalition-building, and encouragement of strategic policy reform, we use our resources to **attend, unite,** and **empower** those we serve.

The Foundation was created in 1953 by William L. McKnight and Maude L. McKnight. Their daughter, Virginia McKnight Binger, established our formal grantmaking and community-based approach. Today, we invest in efforts to strengthen and sustain communities through support for education and learning, youth development, the region and communities, the arts, the environment, and scientific research in selected fields. Our primary geographic focus is the state of Minnesota, with significant support also directed to strategies throughout the U.S. and in Africa, Southeast Asia, and Latin America.



INTERNATIONAL

Jane Maland Cady, program director

We use our resources to promote strong rural livelihoods and food security for people with limited opportunities.

Agronomist Richard Jones was named advisory committee chair of McKnight's Collaborative Crop Research Program, a competitive program that increases food security for resource-poor people in developing countries. By strategically combining elements of research and development, it seeks innovative solutions to real problems that will improve availability, access, and utilization of nutritious food by rural people with the fewest resources. The ultimate goal is to enable farmers in developing countries to feed their families year after year.

2010 GRANTMAKING

Total Amount of Grant Funding	\$96,686,049
Total Number of Grantee Organizations Receiving Funding	712
Portion of Funding Paid for Efforts in Minnesota	59%
Portion of Funding That Includes Support for General Operations	32%
Portion of Funding Tied to Multiyear Commitments	90%

highlights

ARTS

Vickie Benson, program director

We support an environment in which artists are valued leaders in our community, with access

to the resources and opportunities they need to succeed.

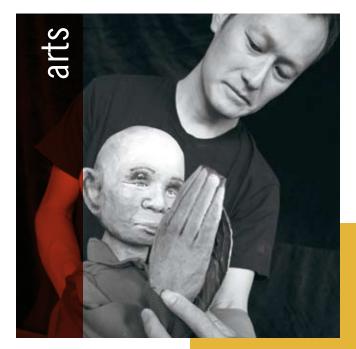
The Humphrey Institute of Public Affairs released *Native Artists: Livelihoods, Resources, Space, Gifts,* a McKnight-funded study documenting the economic and cultural contributions of Native artists. Examining Minnesota's Ojibwe artists as a case study, the report uses in-depth interviews to explore how artists' vision, training, employment and self employment, access to space and resources, location, and commitment to community affect their ability to make a living from their work.

NEUROSCIENCE RESEARCH

Eileen Maler, program manager

The McKnight Endowment Fund for Neuroscience works to bring science closer to the day when diseases of the brain and behavior can be accurately diagnosed, prevented, and treated. Former McKnight Senior Investigator Dr. Paul Greengard and his team made an exciting discovery that could lead to new advances in the treatment of Alzheimer's. The finding, as reported in the September 2010 issue of *Nature*, reveals a new potential drug target that, according to the

prevailing hypothesis of the genesis of Alzheimer's, could slow or halt the effects of the disease. Currently Vincent Astor Professor at Rockefeller University, the 84-year-old Greengard was awarded a Nobel Prize in 2000 for his work on signaling in brain cells.

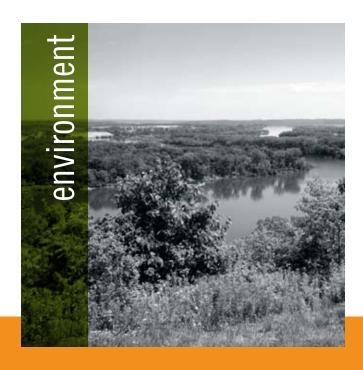


STAFF CHANGES

McKnight hired four new staff members: education and learning program director Bonnie Houck, communications assistant

Shannon Eisentrager, environment program officer Aimee Witteman, and accounting assistant Bile Daad Also in 2010, environment program officer Ron Kroese was promoted to program director.

attend



ENVIRONMENT

Ron Kroese, program director

We use our resources to restore the water quality and resilience of the Mississippi River; and to avoid catastrophic climate change and help the Upper Midwest provide a significant portion of the nation's renewable energy supply. The three strategies that comprise McKnight's Mississippi River program are to restore and protect wetlands and floodplains in the 10-state river corridor; to reduce farm pollution in the four upper-river states of Minnesota, Wisconsin, Iowa, and Illinois; and to advance cross-boundary and interagency coordination for the river's benefit. In early 2010, to help measure progress toward advancing these strategic objectives, McKnight's board of directors adopted an evaluation framework.

OUT-OF-SCHOOL TIME

McKnight's board announced the creation of a new nonprofit

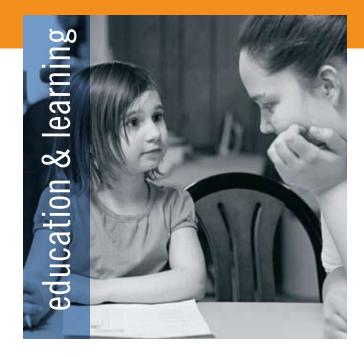
to support out-of-school time programs and field development. This effort builds on McKnight's long history with intermediary regranting partners such as the Family Housing Fund, Greater Minnesota Housing Fund, the Minnesota Initiative Foundations, and the ClimateWorks Foundation. Positioned to leverage our support while bringing increased attention and capital to this important field, this new nonprofit will offer multiple strategies to serve and empower Twin Cities youth.

unite

EDUCATION & LEARNING

Bonnie Houck, program director

Working along a developmental continuum from pre-kindergarten to grade 3, we seek to increase the percentage of successful third grade readers in the Twin Cities. In 2010, McKnight's board and staff made great strides in developing the new education and learning program. Building on more than a decade of McKnight support for early childhood and kindergarten-readiness in Minnesota, the new program will focus on building better pathways from pre-kindergarten through third grade to improve early literacy in the Twin Cities. By year's end, the board and staff met with regional leaders in early literacy, established a national advisory committee of experts to guide the work, and hired a program director. The first round of grants will be awarded in 2011.



empower

VIRGINIA MCKNIGHT BINGER **AWARDS IN HUMAN SERVICE**

The 26th annual Virginia McKnight Binger Awards in Human Service, celebrating the compassion, humility, and generosity of the Foundation's former board chair, honored six Minnesotans who give selflessly of their time to improve the lives of others. Our 2010 awardees include individuals providing programs and services to

support youth offenders. the homeless. low-income families, infants and toddlers in need, and victims of torture.

MINNESOTA INITIATIVE **FOUNDATIONS**

Neal Cuthbert, vice president of program

Through our support of the six Minnesota Initiative Foundations, we work to make Greater Minnesota stronger and more prosperous. Grants in 2010

of \$6 million each to the

Northland Foundation and the West Central Initiative reflect McKnight's ongoing commitment to Greater Minnesota's prosperity. The grants are among McKnight's history of investments for the Minnesota Initiative Foundations, which also include the Initiative Foundation, Northland Foundation, Northwest Minnesota Initiative Foundation, and Southern Minnesota Initiative Foundation. Created by McKnight in 1986, these six independent foundations work to make Greater Minnesota stronger through nonprofit grants, business loans, and job creation and preservation.

REGION & COMMUNITIES

Lee Sheehy, program director

We encourage efficient development within the Twin Cities region that creates livable communities and opportunities for all to thrive. McKnight worked to align, leverage, and implement corridors of opportunity around transit. We collaborated with regional partners to help ensure funding for three additional, community-requested light rail stops along the Central Corridor; we partnered with the Metropolitan Council and others to secure federal funds for transit planning

> and sustainable community development; and, through Living Cities' national Integration Initiative, we worked with the Saint Paul Foundation and many public and private partners to secure \$16 million in grants and loans for high-quality transit development and better opportunities for people with low incomes in the Twin Cities.



THE MCKNIGHT FOUNDATION

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The McKnight Foundation is committed to the protection of our environment, a philosophy that underlies our practice of using paper with post-consumer waste content and environmentally friendly inks. This annual report was printed on paper containing 100% post-consumer fibers. Additionally, we partner with printers and use papers that are Forest Stewardship Council (FSC) certified. The FSC standards represent the world's strongest social and environmental systems for guiding forest management and the use of paper resources toward sustainable outcomes.

We welcome your comments on our work. Please submit your anonymous feedback to us at www.mcknight.org/feedback.

Concept and Design: 5 by 5 Design, Printing: Reflections, Photos: Front Cover—Stone Arch Bridge, courtesy of Transit for Livable Communities; Arts—2010 McKnight Artist Fellow Masanari Kawahara, photographer Bruce Silcox; Education & Learning—Boys & Girls Club, photographer Joe Rossi; Environment—Mississippi River, courtesy of National Park Service; International—Native Peruvian potato varieties, courtesy of International Potato Center; Region & Communities—Hiawatha LRT, courtesy of Central Corridor Funders Collaborative