THE MCKNIGHT ENDOWMENT FUND FOR NEUROSCIENCE

FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2025 AND 2024

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INDEPENDENT AUDITORS' REPORT

Board of Directors
The McKnight Endowment Fund for Neuroscience
Minneapolis, Minnesota

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of The McKnight Endowment Fund for Neuroscience (the Fund) (a nonprofit organization), which comprise the statements of assets and net assets without restrictions – cash basis as of December 31, 2025 and 2024, and the related statements of revenues, expenses, and changes in net assets without restrictions – cash basis and functional expenses – cash basis for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the assets and net assets without restrictions of The McKnight Endowment Fund for Neuroscience as of December 31, 2025 and 2024, and its revenues and expenses for the years then ended in accordance with the cash basis of accounting as described in Note 1.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of The McKnight Endowment Fund for Neuroscience and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to that matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the cash basis of accounting, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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Board of Directors
The McKnight Endowment Fund for Neuroscience

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of The McKnight Endowment Fund for Neuroscience's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about The McKnight Endowment Fund for Neuroscience's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Minneapolis, Minnesota
May 14, 2026

THE MCKNIGHT ENDOWMENT FUND FOR NEUROSCIENCE
STATEMENTS OF ASSETS AND NET ASSETS WITHOUT RESTRICTIONS – CASH BASIS
DECEMBER 31, 2025 AND 2024

	2025	2024
ASSETS, CASH	$ 48,267	$ 20,286
NET ASSETS WITHOUT RESTRICTIONS	$ 48,267	$ 20,286

See accompanying Notes to Financial Statements.

THE MCKNIGHT ENDOWMENT FUND FOR NEUROSCIENCE
STATEMENTS OF REVENUES, EXPENSES, AND
CHANGES IN NET ASSETS WITHOUT RESTRICTIONS – CASH BASIS
YEARS ENDED DECEMBER 31, 2025 AND 2024

	2025	2024
REVENUES		
Grants Received	$ 4,165,550	$ 3,845,550
EXPENSES		
Program:		
Neurobiology of Brain Disorders Awards Program	1,222,000	1,223,690
Scholars Awards Program	2,278,558	1,981,470
Technological Innovations in Neuroscience Awards Program	1,000	2,000
Pecot Awards	82,500	99,000
Annual Neuroscience Conference	404,991	394,966
Total Program Expenses	3,989,049	3,701,126
Administrative Expenses	148,520	149,726
Total Expenses	4,137,569	3,850,852
CHANGE IN NET ASSETS	27,981	(5,302)
Net Assets Without Restrictions – Beginning of Year	20,286	25,588
NET ASSETS WITHOUT RESTRICTIONS – END OF YEAR	$ 48,267	$ 20,286

See accompanying Notes to Financial Statements.

THE MCKNIGHT ENDOWMENT FUND FOR NEUROSCIENCE
STATEMENTS OF FUNCTIONAL EXPENSES – CASH BASIS
YEARS ENDED DECEMBER 31, 2025 AND 2024

	2025		
	Program	Management and General	Total
Awards	$ 3,532,500	$ -	$ 3,532,500
Board and Committee Fees	45,000	22,000	67,000
Meeting and Travel Expenses	399,394	495	399,889
Professional Services	12,155	100,000	112,155
Annual Audit and Tax Return	-	10,868	10,868
Computer Services	-	15,113	15,113
Communication	-	44	44
Total Expenses	$ 3,989,049	$ 148,520	$ 4,137,569

	2024		
	Program	Management and General	Total
Awards	$ 3,247,889	$ -	$ 3,247,889
Board and Committee Fees	46,000	23,000	69,000
Meeting and Travel Expenses	397,645	86	397,731
Professional Services	3,742	100,000	103,742
Annual Audit and Tax Return	-	12,544	12,544
Computer Services	-	13,850	13,850
Communication	5,850	135	5,985
Other Expenses	-	111	111
Total Expenses	$ 3,701,126	$ 149,726	$ 3,850,852

See accompanying Notes to Financial Statements.

NOTE 1 NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Business

The McKnight Endowment Fund for Neuroscience (the Fund) is a private foundation incorporated under the laws of Minnesota. The Fund is an independent charitable organization established by The McKnight Foundation (the Foundation) to support innovative research in neuroscience through three competitive annual awards and an annual conference.

Basis of Accounting

The financials statements of the Fund are maintained on a cash basis, and the statements of revenues, expenses, and changes in net assets without restrictions – cash basis and the statements of assets and net assets without restrictions – cash basis reflect only cash received and disbursed. Therefore, grants receivable and payable, accounts payable, and accrued income and expenses, which may be material in amount, are not reflected in the accompanying financial statements, which are not intended to present financial position and results of activities in conformity with accounting principles generally accepted in the United States of America.

Financial Statement Presentation

Net assets and revenues, gains, and losses are classified based on donor-imposed restrictions. There are no donor-imposed restrictions, and the board of directors has discretionary control over the resources. Accordingly, net assets of the Fund and changes therein are classified and reported as without restrictions.

Tax-Exempt Status

The Fund is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code (IRC). The Fund is classified as a private foundation as defined in Section 509(a) and 4940 of the IRC and as such is subject to certain minimum distribution requirements. No taxes were paid during the years ended December 31, 2025 and 2024.

The Fund follows a policy that clarifies the accounting for uncertainty in income taxes recognized in an organization's financial statements. The policy prescribes a recognition threshold and measurement principles for the financial statement recognition and measurement of tax positions taken or expected to be taken on a tax return that are not certain to be realized. The implementation of this policy had no impact on the Fund's financial statements.

Functional Allocation of Expenses

The costs of providing programs and services have been summarized on a functional and natural basis. Specifically identifiable expenses have been allocated to program and management and general, respectively. Other expenses, not specifically identifiable, have been allocated to program and management and general expenses based upon best estimates of management.

NOTE 1 NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Subsequent Events

In preparing these financial statements, the Fund has evaluated events and transactions for potential recognition of disclosure through May 14, 2026, the date the financial statements were available to be issued.

NOTE 2 LIQUIDITY AND AVAILABILITY

Because its records are maintained on a cash basis, the Fund's only financial asset is cash held in a checking account. To meet its current financial obligations, the Fund receives its annual funding of approximately $4.1 million from the Foundation in installments during the year, as needed.

NOTE 3 CASH BALANCE

At December 31, 2025 and 2024, cash was maintained in a checking account that, at times during the years then ended, exceeded federally insured limits. The Fund has not experienced any losses in such accounts.

NOTE 4 RELATED PARTY TRANSACTIONS

The Foundation has approved grant funding to the Fund annually through 2032 for the purposes of funding and administering neuroscience awards. The Foundation, upon which the Fund solely relies for grant funding, has the ability to appoint three of the eleven members of the Fund's board of directors. During 2025 and 2024, $4,165,550 and $3,845,550 of grants were received by the Fund, respectively. The Foundation grants to be received by the Fund are as follows as of December 31:

	2025	2024
Less Than One Year	$ 4,185,800	$ 4,165,550
One Year to Five Years	16,948,700	16,866,450
Greater Than Five Years	5,053,850	9,321,900
Total	$ 26,188,350	$ 30,353,900

Pursuant to an administrative agreement, the Fund reimbursed the Foundation $100,000 for each of the years ended December 31, 2025 and 2024 for administrative services provided by the Foundation.

For the years ended December 31, 2025 and 2024, payments have been made to board members for their services as board members in the amount of $31,000 and $36,000, respectively.

NOTE 5 GRANT COMMITMENTS

At both December 31, 2025 and 2024, the Fund's board of directors had approved grants of $4,650,000 and $3,949,000 to be paid through 2025, 2026, 2027, and 2028, respectively. Payments of approved grants are expected to be funded by proceeds of grants from the Foundation. Grant payments, net of returned grant funds, during the years ended December 31, 2025 and 2024 were $3,532,500 and $3,247,889, respectively.

NOTE 6 NEUROSCIENCE CONFERENCE COMMITMENTS

In 2023, the Fund signed a contract for the 2026 Neuroscience Conference. The Fund will be liable for up to approximately $201,500 if the conference is cancelled before the scheduled conference date.

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