

Return of Private Foundation

or Section 4947(a)(1) Trust Treated as Private Foundation

2014

Department of the Treasury
Internal Revenue Service

▶ Do not enter social security numbers on this form as it may be made public.
▶ Information about Form 990-PF and its separate instructions is at www.irs.gov/form990pf.

Open to Public Inspection

For calendar year 2014 or tax year beginning

, and ending

Name of foundation THE MCKNIGHT FOUNDATION		A Employer identification number 41-0754835
Number and street (or P.O. box number if mail is not delivered to street address) 710 SECOND STREET SOUTH, SUITE 400	Room/suite	B Telephone number 612-333-4220
City or town, state or province, country, and ZIP or foreign postal code MINNEAPOLIS, MN 55401		C If exemption application is pending, check here ... <input type="checkbox"/>
G Check all that apply: <input type="checkbox"/> Initial return <input type="checkbox"/> Initial return of a former public charity <input type="checkbox"/> Final return <input checked="" type="checkbox"/> Amended return <input type="checkbox"/> Address change <input type="checkbox"/> Name change		D 1. Foreign organizations, check here ... <input type="checkbox"/> 2. Foreign organizations meeting the 85% test, check here and attach computation ... <input type="checkbox"/>
H Check type of organization: <input checked="" type="checkbox"/> Section 501(c)(3) exempt private foundation <input type="checkbox"/> Section 4947(a)(1) nonexempt charitable trust <input type="checkbox"/> Other taxable private foundation		E If private foundation status was terminated under section 507(b)(1)(A), check here ... <input type="checkbox"/>
I Fair market value of all assets at end of year (from Part II, col. (c), line 16) ▶ \$ 2,262,928,471.	J Accounting method: <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other (specify) _____	F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here ... <input type="checkbox"/>

Part I Analysis of Revenue and Expenses <small>(The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a).)</small>		(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
Revenue	1 Contributions, gifts, grants, etc., received	1,066,581.		N/A	
	2 Check <input type="checkbox"/> if the foundation is not required to attach Sch. B				
	3 Interest on savings and temporary cash investments	371,548.	371,548.		STATEMENT 1
	4 Dividends and interest from securities	32,518,851.	42,368,549.		STATEMENT 2
	5a Gross rents	0.	-50,725.		STATEMENT 3
	b Net rental income or (loss)	-50,725.			
	6a Net gain or (loss) from sale of assets not on line 10	157,908,045.			
	b Gross sales price for all assets on line 6a				
	7 Capital gain net income (from Part IV, line 2)		131,218,874.		
	8 Net short-term capital gain				
	9 Income modifications				
	10a Gross sales less returns and allowances				
b Less: Cost of goods sold					
c Gross profit or (loss)					
11 Other income	-991,494.	3,932,243.		STATEMENT 4	
12 Total. Add lines 1 through 11	190,873,531.	177,840,489.			
Operating and Administrative Expenses	13 Compensation of officers, directors, trustees, etc.	832,409.	384,520.		447,889.
	14 Other employee salaries and wages	3,877,143.	79,986.		3,797,157.
	15 Pension plans, employee benefits	1,821,294.	130,907.		1,685,646.
	16a Legal fees STMT 5	43,776.	18,153.		26,940.
	b Accounting fees STMT 6	77,701.	27,151.		40,616.
	c Other professional fees STMT 7	16,890,399.	8,643,344.		3,738,258.
	17 Interest				
	18 Taxes STMT 8	2,824,268.	772,191.		0.
	19 Depreciation and depletion	137,682.	0.		
	20 Occupancy	913,180.	22,007.		858,562.
	21 Travel, conferences, and meetings	1,382,008.	218,862.		1,175,098.
	22 Printing and publications	153,030.	52.		191,698.
	23 Other expenses STMT 9	467,369.	13,295,743.		417,349.
	24 Total operating and administrative expenses. Add lines 13 through 23	29,420,259.	23,592,916.		12,379,213.
	25 Contributions, gifts, grants paid	65,512,068.			88,691,875.
26 Total expenses and disbursements. Add lines 24 and 25	94,932,327.	23,592,916.		101,071,088.	
27 Subtract line 26 from line 12:					
a Excess of revenue over expenses and disbursements	95,941,204.				
b Net investment income (if negative, enter -0-)		154,247,573.			
c Adjusted net income (if negative, enter -0-)			N/A		

Part II Balance Sheets		Attached schedules and amounts in the description column should be for end-of-year amounts only.		
		Beginning of year	End of year	
		(a) Book Value	(b) Book Value	(c) Fair Market Value
Assets	1 Cash - non-interest-bearing	239,789.	761,001.	761,001.
	2 Savings and temporary cash investments	140,798,225.	203,116,003.	203,116,003.
	3 Accounts receivable			
	Less: allowance for doubtful accounts			
	4 Pledges receivable			
	Less: allowance for doubtful accounts			
	5 Grants receivable	18,070,119.	18,738,970.	18,738,970.
	6 Receivables due from officers, directors, trustees, and other disqualified persons			
	7 Other notes and loans receivable			
	Less: allowance for doubtful accounts			
	8 Inventories for sale or use			
	9 Prepaid expenses and deferred charges	886,759.	304,231.	304,231.
	10a Investments - U.S. and state government obligations STMT 10	187,025,321.	75,774,307.	75,774,307.
	b Investments - corporate stock STMT 11	961,391,587.	983,435,697.	983,435,697.
	c Investments - corporate bonds STMT 12	136,839,488.	79,415,292.	79,415,292.
	11 Investments - land, buildings, and equipment: basis			
Less: accumulated depreciation				
12 Investments - mortgage loans				
13 Investments - other STMT 13	770,104,920.	876,350,216.	876,350,216.	
14 Land, buildings, and equipment: basis	5,707,566.			
Less: accumulated depreciation STMT 14	5,195,878.	526,370.	511,688.	
15 Other assets (describe STATEMENT 15)	23,218,721.	24,521,066.	24,521,066.	
16 Total assets (to be completed by all filers - see the instructions. Also, see page 1, item I)	2,239,101,299.	2,262,928,471.	2,262,928,471.	
Liabilities	17 Accounts payable and accrued expenses	1,410,155.	1,940,852.	
	18 Grants payable	113,970,236.	90,895,072.	
	19 Deferred revenue			
	20 Loans from officers, directors, trustees, and other disqualified persons			
	21 Mortgages and other notes payable			
	22 Other liabilities (describe STATEMENT 16)	69,971,208.	49,223,086.	
23 Total liabilities (add lines 17 through 22)	185,351,599.	142,059,010.		
Net Assets or Fund Balances	Foundations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 24 through 26 and lines 30 and 31.			
	24 Unrestricted	2,029,279,572.	2,102,116,549.	
	25 Temporarily restricted	24,470,128.	18,752,912.	
	26 Permanently restricted			
	Foundations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 27 through 31.			
	27 Capital stock, trust principal, or current funds			
	28 Paid-in or capital surplus, or land, bldg., and equipment fund			
29 Retained earnings, accumulated income, endowment, or other funds				
30 Total net assets or fund balances	2,053,749,700.	2,120,869,461.		
31 Total liabilities and net assets/fund balances	2,239,101,299.	2,262,928,471.		

Part III Analysis of Changes in Net Assets or Fund Balances

1 Total net assets or fund balances at beginning of year - Part II, column (a), line 30 (must agree with end-of-year figure reported on prior year's return)	1	2,053,749,700.
2 Enter amount from Part I, line 27a	2	95,941,204.
3 Other increases not included in line 2 (itemize)	3	0.
4 Add lines 1, 2, and 3	4	2,149,690,904.
5 Decreases not included in line 2 (itemize) UNREALIZED LOSS ON INVESTMENTS	5	28,821,443.
6 Total net assets or fund balances at end of year (line 4 minus line 5) - Part II, column (b), line 30	6	2,120,869,461.

Part IV Capital Gains and Losses for Tax on Investment Income

(a) List and describe the kind(s) of property sold (e.g., real estate, 2-story brick warehouse; or common stock, 200 shs. MLC Co.)		(b) How acquired P - Purchase D - Donation	(c) Date acquired (mo., day, yr.)	(d) Date sold (mo., day, yr.)
1a SEE STATEMENT 22				
b				
c				
d				
e				
(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)	
a			131,218,874.	
b				
c				
d				
e				
Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69				(l) Gains (Col. (h) gain minus col. (k), but not less than -0-) or Losses (from col. (h))
(i) F.M.V. as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col. (i) over col. (j), if any		
a			131,218,874.	
b				
c				
d				
e				
2 Capital gain net income or (net capital loss)		{ If gain, also enter in Part I, line 7 If (loss), enter -0- in Part I, line 7 }		2 131,218,874.
3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6): If gain, also enter in Part I, line 8, column (c). If (loss), enter -0- in Part I, line 8		{ }		3 N/A

Part V Qualification Under Section 4940(e) for Reduced Tax on Net Investment Income

(For optional use by domestic private foundations subject to the section 4940(a) tax on net investment income.)

If section 4940(d)(2) applies, leave this part blank.

Was the foundation liable for the section 4942 tax on the distributable amount of any year in the base period? Yes No

If "Yes," the foundation does not qualify under section 4940(e). Do not complete this part.

1 Enter the appropriate amount in each column for each year; see the instructions before making any entries.

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (col. (b) divided by col. (c))
2013	97,760,202.	1,969,573,323.	.049635
2012	96,051,063.	1,853,175,312.	.051831
2011	102,796,288.	1,897,738,100.	.054168
2010	104,413,922.	1,789,401,924.	.058351
2009	109,470,228.	1,605,574,138.	.068181
2 Total of line 1, column (d)			2 .282166
3 Average distribution ratio for the 5-year base period - divide the total on line 2 by 5, or by the number of years the foundation has been in existence if less than 5 years			3 .056433
4 Enter the net value of noncharitable-use assets for 2014 from Part X, line 5			4 2,105,960,466.
5 Multiply line 4 by line 3			5 118,845,667.
6 Enter 1% of net investment income (1% of Part I, line 27b)			6 1,542,476.
7 Add lines 5 and 6			7 120,388,143.
8 Enter qualifying distributions from Part XII, line 4			8 101,197,376.

If line 8 is equal to or greater than line 7, check the box in Part VI, line 1b, and complete that part using a 1% tax rate. See the Part VI instructions.

Part VI Excise Tax Based on Investment Income (Section 4940(a), 4940(b), 4940(e), or 4948 - see instructions)			
1a Exempt operating foundations described in section 4940(d)(2), check here <input type="checkbox"/> and enter "N/A" on line 1. Date of ruling or determination letter: _____ (attach copy of letter if necessary-see instructions)			
b Domestic foundations that meet the section 4940(e) requirements in Part V, check here <input type="checkbox"/> and enter 1% of Part I, line 27b		1	3,084,951.
c All other domestic foundations enter 2% of line 27b. Exempt foreign organizations enter 4% of Part I, line 12, col. (b).			
2 Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)		2	0.
3 Add lines 1 and 2		3	3,084,951.
4 Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)		4	0.
5 Tax based on investment income. Subtract line 4 from line 3. If zero or less, enter -0-		5	3,084,951.
6 Credits/Payments:			
a 2014 estimated tax payments and 2013 overpayment credited to 2014	6a	2,797,952.	
b Exempt foreign organizations - tax withheld at source	6b		
c Tax paid with application for extension of time to file (Form 8868)	6c	300,000.	
d Backup withholding erroneously withheld	6d		
7 Total credits and payments. Add lines 6a through 6d		7	3,097,952.
8 Enter any penalty for underpayment of estimated tax. Check here <input checked="" type="checkbox"/> if Form 2220 is attached		8	3,454.
9 Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed		9	
10 Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid		10	9,547.
11 Enter the amount of line 10 to be: Credited to 2015 estimated tax 9,547. Refunded		11	0.

Part VII-A Statements Regarding Activities

	Yes	No
1a During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?		X
b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see instructions for the definition)? <i>If the answer is "Yes" to 1a or 1b, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities.</i>		X
c Did the foundation file Form 1120-POL for this year?		X
d Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year: (1) On the foundation. ▶ \$ 0. (2) On foundation managers. ▶ \$ 0.		
e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers. ▶ \$ 0.		
2 Has the foundation engaged in any activities that have not previously been reported to the IRS? <i>If "Yes," attach a detailed description of the activities.</i>		X
3 Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? <i>If "Yes," attach a conformed copy of the changes</i>		X
4a Did the foundation have unrelated business gross income of \$1,000 or more during the year?	X	
b If "Yes," has it filed a tax return on Form 990-T for this year?	X	
5 Was there a liquidation, termination, dissolution, or substantial contraction during the year? <i>If "Yes," attach the statement required by General Instruction T.</i>		X
6 Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either: • By language in the governing instrument, or • By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?	X	
7 Did the foundation have at least \$5,000 in assets at any time during the year? <i>If "Yes," complete Part II, col. (c), and Part XV</i>	X	
8a Enter the states to which the foundation reports or with which it is registered (see instructions) ▶ <u>CA, MN</u>		
b If the answer is "Yes" to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by <i>General Instruction G</i> ? <i>If "No," attach explanation</i>	X	
9 Is the foundation claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 2014 or the taxable year beginning in 2014 (see instructions for Part XIV)? <i>If "Yes," complete Part XIV</i>		X
10 Did any persons become substantial contributors during the tax year? <i>If "Yes," attach a schedule listing their names and addresses</i>		X

Part VII-A Statements Regarding Activities (continued)

11 At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," attach schedule (see instructions)
12 Did the foundation make a distribution to a donor advised fund over which the foundation or a disqualified person had advisory privileges?
13 Did the foundation comply with the public inspection requirements for its annual returns and exemption application?
Website address WWW.MCKNIGHT.ORG
14 The books are in care of RICK SCOTT Telephone no. 612-333-4220
Located at 710 SECOND STREET SOUTH, STE 400, MINNEAPOLIS, MN ZIP+4 55401
15 Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041 - Check here
and enter the amount of tax-exempt interest received or accrued during the year 15 N/A
16 At any time during calendar year 2014, did the foundation have an interest in or a signature or other authority over a bank, securities, or other financial account in a foreign country?
See the instructions for exceptions and filing requirements for FinCEN Form 114, (formerly TD F 90-22.1). If "Yes," enter the name of the foreign country UNITED KINGDOM

Part VII-B Statements Regarding Activities for Which Form 4720 May Be Required

File Form 4720 if any item is checked in the "Yes" column, unless an exception applies.

1a During the year did the foundation (either directly or indirectly):
(1) Engage in the sale or exchange, or leasing of property with a disqualified person?
(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person?
(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person?
(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person?
(5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)?
(6) Agree to pay money or property to a government official? (Exception. Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days.)
b If any answer is "Yes" to 1a(1)-(6), did any of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see instructions)?
Organizations relying on a current notice regarding disaster assistance check here
c Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2014?
2 Taxes on failure to distribute income (section 4942) (does not apply for years the foundation was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5)):
a At the end of tax year 2014, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2014?
If "Yes," list the years
b Are there any years listed in 2a for which the foundation is not applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to all years listed, answer "No" and attach statement - see instructions.)
c If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here.
3a Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year?
b If "Yes," did it have excess business holdings in 2014 as a result of (1) any purchase by the foundation or disqualified persons after May 26, 1969; (2) the lapse of the 5-year period (or longer period approved by the Commissioner under section 4943(c)(7)) to dispose of holdings acquired by gift or bequest; or (3) the lapse of the 10-, 15-, or 20-year first phase holding period? (Use Schedule C, Form 4720, to determine if the foundation had excess business holdings in 2014.)
4a Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?
b Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2014?

Part VII-B Statements Regarding Activities for Which Form 4720 May Be Required (continued)

5a During the year did the foundation pay or incur any amount to:

- (1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))? Yes No
- (2) Influence the outcome of any specific public election (see section 4955); or to carry on, directly or indirectly, any voter registration drive? Yes No
- (3) Provide a grant to an individual for travel, study, or other similar purposes? Yes No
- (4) Provide a grant to an organization other than a charitable, etc., organization described in section 4945(d)(4)(A)? (see instructions) Yes No
- (5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals? Yes No

b If any answer is "Yes" to 5a(1)-(5), did any of the transactions fail to qualify under the exceptions described in Regulations section 53.4945 or in a current notice regarding disaster assistance (see instructions)?

5b

Organizations relying on a current notice regarding disaster assistance check here

c If the answer is "Yes" to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant? Yes No

If "Yes," attach the statement required by Regulations section 53.4945-5(d).

6a Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? Yes No

b Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract? Yes No

6b

If "Yes" to 6b, file Form 8870.

7a At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction? Yes No

b If "Yes," did the foundation receive any proceeds or have any net income attributable to the transaction? Yes No N/A

7b

Part VIII Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors

1 List all officers, directors, trustees, foundation managers and their compensation.

(a) Name and address	(b) Title, and average hours per week devoted to position	(c) Compensation (If not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
SEE STATEMENT 17		832,409.	98,332.	4,086.

2 Compensation of five highest-paid employees (other than those included on line 1). If none, enter "NONE."

(a) Name and address of each employee paid more than \$50,000	(b) Title, and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
NEAL CUTHBERT - 710 SECOND STREET SOUTH SUITE 400, MINNEAPOLIS, MN	VP - PROGRAM 40.00	229,027.	59,469.	1,032.
BERNADETTE CHRISTIANSEN - 710 SECOND STREET SOUTH SUITE 400, MINNEAPOLIS,	VP - OPERATIONS 40.00	205,292.	56,571.	1,020.
TIMOTHY HANRAHAN - 710 SECOND STREET SOUTH SUITE 400, MINNEAPOLIS, MN	DIR. OF COMMUNICATIONS 40.00	166,292.	30,755.	1,020.
LEE SHEEHY - 710 SECOND STREET SOUTH SUITE 400, MINNEAPOLIS, MN 55401	PROGRAM DIR. - R & C 40.00	147,204.	49,712.	1,101.
VICKIE BENSON - 710 SECOND STREET SOUTH SUITE 400, MINNEAPOLIS, MN	PROGRAM DIR. - ARTS 40.00	149,657.	29,665.	1,060.
Total number of other employees paid over \$50,000 <input type="checkbox"/>				32

Part VIII Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors *(continued)*

3 Five highest-paid independent contractors for professional services. If none, enter "NONE."

(a) Name and address of each person paid more than \$50,000	(b) Type of service	(c) Compensation
MELLON CAPITAL MANAGEMENT CORP P.O. BOX 371076, PITTSBURGH, PA 15251-7076	INVESTMENT MANAGEMENT FEES	1,523,825.
FIRST STATE INVESTMENTS - 23 ST ANDREWS SQUARE, EDINBURGH, EDINBURGH, UNITED KINGDOM	INVESTMENT MANAGEMENT FEES	967,071.
MONDRIAN INVESTMENT GROUP - 1105 N. MARKET STREET, SUITE 1300, WILMINGTON, DE 19801	INVESTMENT MANAGEMENT FEES	728,084.
CORNELL UNIVERSITY 120 DAY HALL, ITHACA, NY 14853	PROGRAM CONSULTING	655,324.
THORNBURG INVESTMENT MANAGEMENT 2300 NORTH RIDGETOP ROAD, SANTA FE, NM 87506	INVESTMENT MANAGEMENT FEES	528,871.
Total number of others receiving over \$50,000 for professional services		28

Part IX-A Summary of Direct Charitable Activities

List the foundation's four largest direct charitable activities during the tax year. Include relevant statistical information such as the number of organizations and other beneficiaries served, conferences convened, research papers produced, etc.	Expenses
1 SEE STATEMENT 20	
	433,157.
2	
3	
4	

Part IX-B Summary of Program-Related Investments

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2.	Amount
1 N/A	
2	
All other program-related investments. See instructions.	
3	
Total. Add lines 1 through 3	0.

Part X **Minimum Investment Return** (All domestic foundations must complete this part. Foreign foundations, see instructions.)

1 Fair market value of assets not used (or held for use) directly in carrying out charitable, etc., purposes:			
a	Average monthly fair market value of securities	1a	1,292,106,118.
b	Average of monthly cash balances	1b	161,947,470.
c	Fair market value of all other assets	1c	683,977,342.
d	Total (add lines 1a, b, and c)	1d	2,138,030,930.
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	1e	0.
2	Acquisition indebtedness applicable to line 1 assets	2	0.
3	Subtract line 2 from line 1d	3	2,138,030,930.
4	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions)	4	32,070,464.
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	2,105,960,466.
6	Minimum investment return. Enter 5% of line 5	6	105,298,023.

Part XI **Distributable Amount** (see instructions) (Section 4942(j)(3) and (j)(5) private operating foundations and certain foreign organizations check here and do not complete this part.)

1	Minimum investment return from Part X, line 6	1	105,298,023.
2a	Tax on investment income for 2014 from Part VI, line 5	2a	3,084,951.
b	Income tax for 2014. (This does not include the tax from Part VI.)	2b	336,907.
c	Add lines 2a and 2b	2c	3,421,858.
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	101,876,165.
4	Recoveries of amounts treated as qualifying distributions	4	90,262.
5	Add lines 3 and 4	5	101,966,427.
6	Deduction from distributable amount (see instructions)	6	0.
7	Distributable amount as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1	7	101,966,427.

Part XII **Qualifying Distributions** (see instructions)

1 Amounts paid (including administrative expenses) to accomplish charitable, etc., purposes:			
a	Expenses, contributions, gifts, etc. - total from Part I, column (d), line 26	1a	101,071,088.
b	Program-related investments - total from Part IX-B	1b	0.
2	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes	2	126,288.
3	Amounts set aside for specific charitable projects that satisfy the:		
a	Suitability test (prior IRS approval required)	3a	
b	Cash distribution test (attach the required schedule)	3b	
4	Qualifying distributions. Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	4	101,197,376.
5	Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income. Enter 1% of Part I, line 27b	5	0.
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6	101,197,376.

Note. The amount on line 6 will be used in Part V, column (b), in subsequent years when calculating whether the foundation qualifies for the section 4940(e) reduction of tax in those years.

Part XIII Undistributed Income (see instructions)

	(a) Corpus	(b) Years prior to 2013	(c) 2013	(d) 2014
1 Distributable amount for 2014 from Part XI, line 7				101,966,427.
2 Undistributed income, if any, as of the end of 2014:				
a Enter amount for 2013 only			0.	
b Total for prior years:		0.		
3 Excess distributions carryover, if any, to 2014:				
a From 2009	24,295,026.			
b From 2010	17,098,217.			
c From 2011	9,746,130.			
d From 2012	5,240,026.			
e From 2013	2,265,151.			
f Total of lines 3a through e	58,644,550.			
4 Qualifying distributions for 2014 from Part XII, line 4: ▶ \$101,197,376.				
a Applied to 2013, but not more than line 2a			0.	
b Applied to undistributed income of prior years (Election required - see instructions)		0.		
c Treated as distributions out of corpus (Election required - see instructions)	0.			
d Applied to 2014 distributable amount				101,197,376.
e Remaining amount distributed out of corpus				0.
5 Excess distributions carryover applied to 2014 (If an amount appears in column (d), the same amount must be shown in column (a).)	769,051.			769,051.
6 Enter the net total of each column as indicated below:				
a Corpus. Add lines 3f, 4c, and 4e. Subtract line 5	57,875,499.			
b Prior years' undistributed income. Subtract line 4b from line 2b		0.		
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed		0.		
d Subtract line 6c from line 6b. Taxable amount - see instructions		0.		
e Undistributed income for 2013. Subtract line 4a from line 2a. Taxable amount - see instr.			0.	
f Undistributed income for 2014. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2015				0.
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (Election may be required - see instructions)	5,104,484.			
8 Excess distributions carryover from 2009 not applied on line 5 or line 7	18,421,491.			
9 Excess distributions carryover to 2015. Subtract lines 7 and 8 from line 6a	34,349,524.			
10 Analysis of line 9:				
a Excess from 2010	17,098,217.			
b Excess from 2011	9,746,130.			
c Excess from 2012	5,240,026.			
d Excess from 2013	2,265,151.			
e Excess from 2014				

Part XIV Private Operating Foundations (see instructions and Part VII-A, question 9) N/A

1 a If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 2014, enter the date of the ruling ▶

b Check box to indicate whether the foundation is a private operating foundation described in section 4942(j)(3) or 4942(j)(5)

	Tax year				(e) Total
	(a) 2014	(b) 2013	(c) 2012	(d) 2011	
2 a Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed					
b 85% of line 2a					
c Qualifying distributions from Part XII, line 4 for each year listed					
d Amounts included in line 2c not used directly for active conduct of exempt activities					
e Qualifying distributions made directly for active conduct of exempt activities. Subtract line 2d from line 2c					
3 Complete 3a, b, or c for the alternative test relied upon:					
a "Assets" alternative test - enter:					
(1) Value of all assets					
(2) Value of assets qualifying under section 4942(j)(3)(B)(i)					
b "Endowment" alternative test - enter 2/3 of minimum investment return shown in Part X, line 6 for each year listed					
c "Support" alternative test - enter:					
(1) Total support other than gross investment income (interest, dividends, rents, payments on securities loans (section 512(a)(5)), or royalties)					
(2) Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(iii)					
(3) Largest amount of support from an exempt organization					
(4) Gross investment income					

Part XV Supplementary Information (Complete this part only if the foundation had \$5,000 or more in assets at any time during the year-see instructions.)

1 Information Regarding Foundation Managers:
a List any managers of the foundation who have contributed more than 2% of the total contributions received by the foundation before the close of any tax year (but only if they have contributed more than \$5,000). (See section 507(d)(2).)

NONE

b List any managers of the foundation who own 10% or more of the stock of a corporation (or an equally large portion of the ownership of a partnership or other entity) of which the foundation has a 10% or greater interest.

NONE

2 Information Regarding Contribution, Grant, Gift, Loan, Scholarship, etc., Programs:
 Check here if the foundation only makes contributions to preselected charitable organizations and does not accept unsolicited requests for funds. If the foundation makes gifts, grants, etc. (see instructions) to individuals or organizations under other conditions, complete items 2a, b, c, and d.

a The name, address, and telephone number or e-mail address of the person to whom applications should be addressed:

SEE STATEMENT 21

b The form in which applications should be submitted and information and materials they should include:

SEE STATEMENT 21

c Any submission deadlines:

SEE STATEMENT 21

d Any restrictions or limitations on awards, such as by geographical areas, charitable fields, kinds of institutions, or other factors:

SEE STATEMENT 21

Part XV Supplementary Information (continued)

3 Grants and Contributions Paid During the Year or Approved for Future Payment				
Recipient	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
Name and address (home or business)				
a Paid during the year				
SEE STATEMENT 18				88,691,875.
** STATEMENT 18 CONTAINS OR MAY CONTAIN RECIPIENTS OF THE FOLLOWING STATUS:				
. PUBLICLY-SUPPORTED ORGANIZATIONS WITHIN THE MEANING OF §509(a)(1), (2), OR (3)				
. PUBLIC ORGANIZATIONS WITHIN THE MEANING OF REG. §53.4945-5(a)(4)				
. GRANTS TO INDIVIDUALS UNDER AN APPROVED PROGRAM WITHIN THE MEANING OF §4945(g)				
. CHARITABLE PURPOSE GRANTS TO INDIVIDUALS FOR PURPOSES NOT REQUIRING APPROVAL UNDER §4945(g)				
STATEMENT 18D (REFERENCED BELOW) CONTAINS GRANTS TO ORGANIZATIONS FOR WHICH THE MCKNIGHT FOUNDATION HAS APPLIED AND MET THE REQUIREMENTS OF §4945(d)(4)(EXPENDITURE RESPONSIBILITY)				
Total				3a 88,691,875.
b Approved for future payment				
SEE STATEMENT 18D				37,607,800.
Total				3b 37,607,800.

Part XVI-A Analysis of Income-Producing Activities

Table with 5 main columns: (a) Business code, (b) Amount, (c) Exclusion code, (d) Amount, (e) Related or exempt function income. Rows include Program service revenue, Interest on savings and temporary cash investments, Dividends and interest from securities, Net rental income from real estate, Net rental income from personal property, Other investment income, Gain or (loss) from sales of assets other than inventory, Net income from special events, Gross profit from sales of inventory, Other revenue (Administrative fees, Investment adjustments, Miscellaneous income), Subtotal, and Total.

(See worksheet in line 13 instructions to verify calculations.)

Part XVI-B Relationship of Activities to the Accomplishment of Exempt Purposes

Table with 2 columns: Line No. and Explain below how each activity for which income is reported in column (e) of Part XVI-A contributed importantly to the accomplishment of the foundation's exempt purposes (other than by providing funds for such purposes). Rows 1A and 11A describe interest earned on loans and fees for administrative services.

Part XVII Information Regarding Transfers To and Transactions and Relationships With Noncharitable Exempt Organizations

Table with columns for question numbers (1, a, b, c, d) and sub-questions (1a(1), 1a(2), 1b(1)-1b(6), 1c), and columns for 'Yes' and 'No' responses. Includes 'X' marks in the 'No' column for various items.

Table with 4 columns: (a) Line no., (b) Amount involved, (c) Name of noncharitable exempt organization, (d) Description of transfers, transactions, and sharing arrangements. Row 1 contains 'N/A'.

2a Is the foundation directly or indirectly affiliated with, or related to, one or more tax-exempt organizations described in section 501(c) of the Code (other than section 501(c)(3)) or in section 527? [] Yes [X] No

Table with 3 columns: (a) Name of organization, (b) Type of organization, (c) Description of relationship. Row 1 contains 'N/A'.

Sign Here [Signature] Date [] Title VP OF FINANCE. Includes a box: 'May the IRS discuss this return with the preparer shown below (see instr.)? [X] Yes [] No'.

Table with 6 columns: Print/Type preparer's name, Preparer's signature, Date, Check self-employed, PTIN, Firm's name, Firm's EIN, Firm's address, Phone no. Includes handwritten entries for Karen Gries, CLIFTONLARSONALLEN LLP, and address in Minneapolis, MN.

Schedule B

(Form 990, 990-EZ, or 990-PF)

Department of the Treasury
Internal Revenue Service

Schedule of Contributors

▶ Attach to Form 990, Form 990-EZ, or Form 990-PF.
▶ Information about Schedule B (Form 990, 990-EZ, or 990-PF) and its instructions is at www.irs.gov/form990.

OMB No. 1545-0047

2014

Name of the organization

THE MCKNIGHT FOUNDATION

Employer identification number

41-0754835

Organization type (check one):

Filers of:

Section:

Form 990 or 990-EZ

501(c)() (enter number) organization

4947(a)(1) nonexempt charitable trust **not** treated as a private foundation

527 political organization

Form 990-PF

501(c)(3) exempt private foundation

4947(a)(1) nonexempt charitable trust treated as a private foundation

501(c)(3) taxable private foundation

Check if your organization is covered by the **General Rule** or a **Special Rule**.

Note. Only a section 501(c)(7), (8), or (10) organization can check boxes for both the General Rule and a Special Rule. See instructions.

General Rule

For an organization filing Form 990, 990-EZ, or 990-PF that received, during the year, contributions totaling \$5,000 or more (in money or property) from any one contributor. Complete Parts I and II. See instructions for determining a contributor's total contributions.

Special Rules

For an organization described in section 501(c)(3) filing Form 990 or 990-EZ that met the 33 1/3% support test of the regulations under sections 509(a)(1) and 170(b)(1)(A)(vi), that checked Schedule A (Form 990 or 990-EZ), Part II, line 13, 16a, or 16b, and that received from any one contributor, during the year, total contributions of the greater of (1) \$5,000 or (2) 2% of the amount on (i) Form 990, Part VIII, line 1h, or (ii) Form 990-EZ, line 1. Complete Parts I and II.

For an organization described in section 501(c)(7), (8), or (10) filing Form 990 or 990-EZ that received from any one contributor, during the year, total contributions of more than \$1,000 *exclusively* for religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals. Complete Parts I, II, and III.

For an organization described in section 501(c)(7), (8), or (10) filing Form 990 or 990-EZ that received from any one contributor, during the year, contributions *exclusively* for religious, charitable, etc., purposes, but no such contributions totaled more than \$1,000. If this box is checked, enter here the total contributions that were received during the year for an *exclusively* religious, charitable, etc., purpose. Do not complete any of the parts unless the **General Rule** applies to this organization because it received *nonexclusively* religious, charitable, etc., contributions totaling \$5,000 or more during the year ▶ \$ _____

Caution. An organization that is not covered by the General Rule and/or the Special Rules does not file Schedule B (Form 990, 990-EZ, or 990-PF), but it **must** answer "No" on Part IV, line 2, of its Form 990; or check the box on line H of its Form 990-EZ or on its Form 990-PF, Part I, line 2, to certify that it does not meet the filing requirements of Schedule B (Form 990, 990-EZ, or 990-PF).

LHA For Paperwork Reduction Act Notice, see the Instructions for Form 990, 990-EZ, or 990-PF. Schedule B (Form 990, 990-EZ, or 990-PF) (2014)

Name of organization THE MCKNIGHT FOUNDATION	Employer identification number 41-0754835
---	--

Part I Contributors (see instructions). Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
1	BILL AND MELINDA GATES FOUNDATION PO BOX 23350 SEATTLE, WA 98102	\$ 668,851.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
2	ESTATE OF WILLIAM LEIBO 10211 CEDAR LAKE ROAD MINNETONKA, MN 55305	\$ 397,730.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
		\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
		\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
		\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
		\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)

Name of organization THE MCKNIGHT FOUNDATION	Employer identification number 41-0754835
--	---

Part II Noncash Property (see instructions). Use duplicate copies of Part II if additional space is needed.

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
		\$ _____	
		\$ _____	
		\$ _____	
		\$ _____	
		\$ _____	
		\$ _____	
		\$ _____	
		\$ _____	

Name of organization THE MCKNIGHT FOUNDATION	Employer identification number 41-0754835
--	---

Part III Exclusively religious, charitable, etc., contributions to organizations described in section 501(c)(7), (8), or (10) that total more than \$1,000 for the year from any one contributor. Complete columns (a) through (e) and the following line entry. For organizations completing Part III, enter the total of exclusively religious, charitable, etc., contributions of \$1,000 or less for the year. (Enter this info. once.) ▶ \$ _____
Use duplicate copies of Part III if additional space is needed.

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held
(e) Transfer of gift			
Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee	
(e) Transfer of gift			
Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee	
(e) Transfer of gift			
Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee	
(e) Transfer of gift			
Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee	
(e) Transfer of gift			
Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee	

Underpayment of Estimated Tax by Corporations

Department of the Treasury
Internal Revenue Service

▶ Attach to the corporation's tax return. **FORM 990-PF**

2014

▶ Information about Form 2220 and its separate instructions is at www.irs.gov/form2220.

Name **THE MCKNIGHT FOUNDATION** Employer identification number **41-0754835**

Note: Generally, the corporation is not required to file Form 2220 (see Part II below for exceptions) because the IRS will figure any penalty owed and bill the corporation. However, the corporation may still use Form 2220 to figure the penalty. If so, enter the amount from page 2, line 38 on the estimated tax penalty line of the corporation's income tax return, but do not attach Form 2220.

Part I Required Annual Payment			
1	Total tax (see instructions)	1	3,084,951.
2a	Personal holding company tax (Schedule PH (Form 1120), line 26) included on line 1	2a	
2b	Look-back interest included on line 1 under section 460(b)(2) for completed long-term contracts or section 167(g) for depreciation under the income forecast method	2b	
2c	Credit for federal tax paid on fuels (see instructions)	2c	
2d	Total. Add lines 2a through 2c	2d	
3	Subtract line 2d from line 1. If the result is less than \$500, do not complete or file this form. The corporation does not owe the penalty	3	3,084,951.
4	Enter the tax shown on the corporation's 2013 income tax return (see instructions). Caution: If the tax is zero or the tax year was for less than 12 months, skip this line and enter the amount from line 3 on line 5	4	3,270,900.
5	Required annual payment. Enter the smaller of line 3 or line 4. If the corporation is required to skip line 4, enter the amount from line 3	5	3,084,951.

Part II Reasons for Filing - Check the boxes below that apply. If any boxes are checked, the corporation **must** file Form 2220 even if it does not owe a penalty (see instructions).

6	<input type="checkbox"/> The corporation is using the adjusted seasonal installment method.
7	<input checked="" type="checkbox"/> The corporation is using the annualized income installment method.
8	<input checked="" type="checkbox"/> The corporation is a "large corporation" figuring its first required installment based on the prior year's tax.

Part III Figuring the Underpayment

	(a)	(b)	(c)	(d)	
9 Installment due dates. Enter in columns (a) through (d) the 15th day of the 4th (Form 990-PF filers: Use 5th month), 6th, 9th, and 12th months of the corporation's tax year	9	05/15/14	06/15/14	09/15/14	12/15/14
10 Required installments. If the box on line 6 and/or line 7 above is checked, enter the amounts from Sch A, line 38. If the box on line 8 (but not 6 or 7) is checked, see instructions for the amounts to enter. If none of these boxes are checked, enter 25% of line 5 above in each column.	10	305,530.	719,507.	993,881.	929,542.
11 Estimated tax paid or credited for each period (see instructions). For column (a) only, enter the amount from line 11 on line 15	11	347,952.	700,000.	750,000.	1,000,000.
<i>Complete lines 12 through 18 of one column before going to the next column.</i>					
12 Enter amount, if any, from line 18 of the preceding column	12		42,422.	22,915.	
13 Add lines 11 and 12	13		742,422.	772,915.	1,000,000.
14 Add amounts on lines 16 and 17 of the preceding column	14				220,966.
15 Subtract line 14 from line 13. If zero or less, enter -0-	15	347,952.	742,422.	772,915.	779,034.
16 If the amount on line 15 is zero, subtract line 13 from line 14. Otherwise, enter -0-	16		0.	0.	
17 Underpayment. If line 15 is less than or equal to line 10, subtract line 15 from line 10. Then go to line 12 of the next column. Otherwise, go to line 18	17			220,966.	150,508.
18 Overpayment. If line 10 is less than line 15, subtract line 10 from line 15. Then go to line 12 of the next column	18	42,422.	22,915.		

Go to Part IV on page 2 to figure the penalty. Do not go to Part IV if there are no entries on line 17 - no penalty is owed.

LHA For Paperwork Reduction Act Notice, see separate instructions.

Form 2220 (2014)

Part IV Figuring the Penalty

	(a)	(b)	(c)	(d)
19 Enter the date of payment or the 15th day of the 3rd month after the close of the tax year, whichever is earlier (see instructions). (Form 990-PF and Form 990-T filers: Use 5th month instead of 3rd month.)	19			
20 Number of days from due date of installment on line 9 to the date shown on line 19	20			
21 Number of days on line 20 after 4/15/2014 and before 7/1/2014	21			
22 Underpayment on line 17 x $\frac{\text{Number of days on line 21} \times 3\%}{365}$	22	\$	\$	\$
23 Number of days on line 20 after 06/30/2014 and before 10/1/2014	23			
24 Underpayment on line 17 x $\frac{\text{Number of days on line 23} \times 3\%}{365}$	24	\$	\$	\$
25 Number of days on line 20 after 9/30/2014 and before 1/1/2015	25			
26 Underpayment on line 17 x $\frac{\text{Number of days on line 25} \times 3\%}{365}$	26	\$	\$	\$
27 Number of days on line 20 after 12/31/2014 and before 4/1/2015	27	SEE ATTACHED WORKSHEET		
28 Underpayment on line 17 x $\frac{\text{Number of days on line 27} \times 3\%}{365}$	28	\$	\$	\$
29 Number of days on line 20 after 3/31/2015 and before 7/1/2015	29			
30 Underpayment on line 17 x $\frac{\text{Number of days on line 29} \times \%}{365}$	30	\$	\$	\$
31 Number of days on line 20 after 6/30/2015 and before 10/01/2015	31			
32 Underpayment on line 17 x $\frac{\text{Number of days on line 31} \times \%}{365}$	32	\$	\$	\$
33 Number of days on line 20 after 9/30/2015 and before 1/1/2016	33			
34 Underpayment on line 17 x $\frac{\text{Number of days on line 33} \times \%}{365}$	34	\$	\$	\$
35 Number of days on line 20 after 12/31/2015 and before 2/16/2016	35			
36 Underpayment on line 17 x $\frac{\text{Number of days on line 35} \times \%}{366}$	36	\$	\$	\$
37 Add lines 22, 24, 26, 28, 30, 32, 34, and 36	37	\$	\$	\$
38 Penalty. Add columns (a) through (d) of line 37. Enter the total here and on Form 1120; line 33; or the comparable line for other income tax returns	38			\$ 3,454.

* Use the penalty interest rate for each calendar quarter, which the IRS will determine during the first month in the preceding quarter. These rates are published quarterly in an IRS News Release and in a revenue ruling in the Internal Revenue Bulletin. To obtain this information on the Internet, access the IRS website at www.irs.gov. You can also call 1-800-829-4933 to get interest rate information.

Schedule A Adjusted Seasonal Installment Method and Annualized Income Installment Method (see instructions)

Form 1120S filers: For lines 1, 2, 3, and 21, below, "taxable income" refers to excess net passive income or the amount on which tax is imposed under section 1374(a), whichever applies.

Part I - Adjusted Seasonal Installment Method (Caution: Use this method only if the base period percentage for any 6 consecutive months is at least 70%. See instructions.)

		(a)	(b)	(c)	(d)	
		First 3 months	First 5 months	First 8 months	First 11 months	
1	Enter taxable income for the following periods:					
a	Tax year beginning in 2011	1a				
b	Tax year beginning in 2012	1b				
c	Tax year beginning in 2013	1c				
2	Enter taxable income for each period for the tax year beginning in 2014 (see instructions for the treatment of extraordinary items).	2				
3	Enter taxable income for the following periods:		First 4 months	First 6 months	First 9 months	Entire year
a	Tax year beginning in 2011	3a				
b	Tax year beginning in 2012	3b				
c	Tax year beginning in 2013	3c				
4	Divide the amount in each column on line 1a by the amount in column (d) on line 3a	4				
5	Divide the amount in each column on line 1b by the amount in column (d) on line 3b	5				
6	Divide the amount in each column on line 1c by the amount in column (d) on line 3c	6				
7	Add lines 4 through 6	7				
8	Divide line 7 by 3.0	8				
9a	Divide line 2 by line 8	9a				
b	Extraordinary items (see instructions)	9b				
c	Add lines 9a and 9b	9c				
10	Figure the tax on the amt on ln 9c using the instr for Form 1120, Sch J, ln 2 (or comparable ln of corp's return) ...	10				
11a	Divide the amount in columns (a) through (c) on line 3a by the amount in column (d) on line 3a	11a				
b	Divide the amount in columns (a) through (c) on line 3b by the amount in column (d) on line 3b	11b				
c	Divide the amount in columns (a) through (c) on line 3c by the amount in column (d) on line 3c	11c				
12	Add lines 11a through 11c	12				
13	Divide line 12 by 3.0	13				
14	Multiply the amount in columns (a) through (c) of line 10 by columns (a) through (c) of line 13. In column (d), enter the amount from line 10, column (d)	14				
15	Enter any alternative minimum tax for each payment period (see instructions)	15				
16	Enter any other taxes for each payment period (see instr)	16				
17	Add lines 14 through 16	17				
18	For each period, enter the same type of credits as allowed on Form 2220, lines 1 and 2c (see instructions)	18				
19	Total tax after credits. Subtract line 18 from line 17. If zero or less, enter -0-	19				

**

Part II - Annualized Income Installment Method

		(a)	(b)	(c)	(d)
		First <u>2</u> months	First <u>4</u> months	First <u>7</u> months	First <u>10</u> months
20	Annualization periods (see instructions)				
21	Enter taxable income for each annualization period (see instructions for the treatment of extraordinary items)	10,184,340.	34,167,875.	78,513,292.	122,852,516.
22	Annualization amounts (see instructions)	6.000000	3.000000	1.714290	1.200000
23a	Annualized taxable income. Multiply line 21 by line 22	61,106,040.	102,503,625.	134,594,551.	147,423,019.
23b	Extraordinary items (see instructions)				
23c	Add lines 23a and 23b	61,106,040.	102,503,625.	134,594,551.	147,423,019.
24	Figure the tax on the amount on line 23c using the instructions for Form 1120, Schedule J, line 2 (or comparable line of corporation's return)	1,222,121.	2,050,073.	2,691,891.	2,948,460.
25	Enter any alternative minimum tax for each payment period (see instructions)				
26	Enter any other taxes for each payment period (see instr)				
27	Total tax. Add lines 24 through 26	1,222,121.	2,050,073.	2,691,891.	2,948,460.
28	For each period, enter the same type of credits as allowed on Form 2220, lines 1 and 2c (see instructions)				
29	Total tax after credits. Subtract line 28 from line 27. If zero or less, enter -0-	1,222,121.	2,050,073.	2,691,891.	2,948,460.
30	Applicable percentage	25%	50%	75%	100%
31	Multiply line 29 by line 30	305,530.	1,025,037.	2,018,918.	2,948,460.

Part III - Required Installments

Note: Complete lines 32 through 38 of one column before completing the next column.					
		1st installment	2nd installment	3rd installment	4th installment
32	If only Part I or Part II is completed, enter the amount in each column from line 19 or line 31. If both parts are completed, enter the smaller of the amounts in each column from line 19 or line 31	305,530.	1,025,037.	2,018,918.	2,948,460.
33	Add the amounts in all preceding columns of line 38 (see instructions)		305,530.	1,025,037.	2,018,918.
34	Adjusted seasonal or annualized income installments. Subtract line 33 from line 32. If zero or less, enter -0-	305,530.	719,507.	993,881.	929,542.
35	Enter 25% of line 5 on page 1 of Form 2220 in each column. Note: "Large corporations," see the instructions for line 10 for the amounts to enter	771,238.	771,238.	771,237.	771,238.
36	Subtract line 38 of the preceding column from line 37 of the preceding column		465,708.	517,439.	294,795.
37	Add lines 35 and 36	771,238.	1,236,946.	1,288,676.	1,066,033.
38	Required installments. Enter the smaller of line 34 or line 37 here and on page 1 of Form 2220, line 10 (see instructions)	305,530.	719,507.	993,881.	929,542.

Form 2220 (2014)

** ANNUALIZED INCOME INSTALLMENT METHOD USING OPTION 1

FORM 990-PF
UNDERPAYMENT OF ESTIMATED TAX WORKSHEET

Name(s) THE MCKNIGHT FOUNDATION					Identifying Number 41-0754835
(A) *Date	(B) Amount	(C) Adjusted Balance Due	(D) Number Days Balance Due	(E) Daily Penalty Rate	(F) Penalty
		-0-			
05/15/14	305,530.	305,530.			
05/15/14	-347,952.	-42,422.			
06/13/14	-700,000.	-742,422.			
06/15/14	719,507.	-22,915.			
09/15/14	993,881.	970,966.			
09/15/14	-750,000.	220,966.	88	.000082192	1,598.
12/12/14	-1,000,000.	-779,034.			
12/15/14	929,542.	150,508.	150	.000082192	1,856.
05/14/15	-300,000.	-149,492.			
Penalty Due (Sum of Column F).					3,454.

* Date of estimated tax payment, withholding credit date or installment due date.