



CONSOLIDATED FINANCIAL STATEMENTS

Gordon E. and Betty I. Moore Foundation
Years Ended December 31, 2008 and 2007
With Report of Independent Auditors

Ernst & Young LLP



Gordon E. and Betty I. Moore Foundation

Consolidated Financial Statements

Years Ended December 31, 2008 and 2007

Contents

Audited Consolidated Financial Statements

Report of Independent Auditors.....	1
Consolidated Statements of Financial Position.....	2
Consolidated Statements of Activities and Changes in Net Assets	3
Consolidated Statements of Cash Flows.....	4
Notes to Consolidated Financial Statements.....	5

Other Financial Information

Report of Independent Auditors on Other Financial Information	16
Schedule of Conditional Grants Committed	17

Report of Independent Auditors

The Board of Trustees
Gordon E. and Betty I. Moore Foundation and Subsidiary

We have audited the accompanying consolidated statements of financial position of Gordon E. and Betty I. Moore Foundation and subsidiary (the Foundation) as of December 31, 2008 and 2007, and the related consolidated statements of activities and changes in net assets, and cash flows for the years then ended. These financial statements are the responsibility of the Foundation's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. We were not engaged to perform an audit of the Foundation's internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Gordon E. and Betty I. Moore Foundation and subsidiary at December 31, 2008 and 2007, and the consolidated changes in their net assets and their cash flows for the years then ended in conformity with U.S. generally accepted accounting principles.

Ernst + Young LLP

June 25, 2009

Gordon E. and Betty I. Moore Foundation
Consolidated Statements of Financial Position

	December 31	
	2008	2007
Assets		
Cash and cash equivalents	\$ 161,435,635	\$ 171,992,651
Dividends and interest receivable	5,239,866	8,929,324
Investments, at fair value	4,190,103,657	6,082,046,531
Investment redemption receivables	131,415,703	140,046,874
Program-related investment	700,654	-
Property and equipment, net of accumulated depreciation	18,990,995	5,816,907
Prepaid federal excise tax	1,221,925	-
Prepaid expenses and other assets	597,561	420,529
Total assets	<u>\$ 4,509,705,996</u>	<u>\$ 6,409,252,816</u>
Liabilities and net assets		
Liabilities:		
Accounts payable and accrued liabilities	\$ 11,054,278	\$ 8,877,586
Grants payable	112,347,093	138,980,199
Federal excise tax payable currently	-	415,311
Deferred federal excise tax	-	9,562,576
Total liabilities	<u>123,401,371</u>	<u>157,835,672</u>
Net assets, unrestricted	<u>4,386,304,625</u>	<u>6,251,417,144</u>
Total liabilities and net assets	<u>\$ 4,509,705,996</u>	<u>\$ 6,409,252,816</u>

See accompanying notes.

Gordon E. and Betty I. Moore Foundation

Consolidated Statements of Activities and Changes in Net Assets

	Year Ended December 31	
	2008	2007
Investment income:		
Dividends	\$ 19,707,297	\$ 24,531,866
Interest	35,631,934	40,258,267
Partnership distributions	59,794,438	69,196,662
Realized gains on sale of investments	49,011,117	335,665,728
Net unrealized (losses) and gains on investments	(1,760,339,606)	455,128,373
Total investment income	<u>(1,596,194,820)</u>	924,780,896
Investment expenses	13,402,848	16,710,153
Taxes	(7,390,031)	16,515,336
Net investment (losses) income	<u>(1,602,207,637)</u>	891,555,407
Expenses:		
Grants	234,406,519	273,490,972
Supporting expenses	28,498,363	22,387,101
Total expenses	<u>262,904,882</u>	295,878,073
(Decrease) increase in net assets	(1,865,112,519)	595,677,334
Unrestricted net assets, beginning of year	6,251,417,144	5,655,739,810
Unrestricted net assets, end of year	<u>\$ 4,386,304,625</u>	<u>\$ 6,251,417,144</u>

See accompanying notes.

Gordon E. and Betty I. Moore Foundation

Consolidated Statements of Cash Flows

	Year Ended December 31	
	2008	2007
Cash flows from operating activities		
Interest, dividends and partnership distributions received	\$ 118,823,127	\$ 133,711,883
Taxes paid	(3,809,781)	(18,455,896)
Cash paid to investment managers, suppliers and employees	(37,629,963)	(37,672,555)
Grants paid	(261,740,279)	(285,912,559)
Repayment of program-related investment	-	10,000,000
Repayment of refundable advance	-	3,487,161
Net cash used in operating activities	(184,356,896)	(194,841,966)
Cash flows from investing activities		
Purchases of investments	(1,607,849,454)	(1,343,059,792)
Proceeds from sale of investments	1,797,095,010	1,632,233,698
Purchases of property and equipment	(15,445,676)	(259,820)
Net cash provided by investing activities	173,799,880	288,914,086
Cash flows from financing activities		
Proceeds from short term borrowing	-	45,000,000
Payments made on short term borrowing	-	(45,000,000)
Net cash provided by financing activities	-	-
Net (decrease) increase in cash and cash equivalents	(10,557,016)	94,072,120
Cash and cash equivalents, beginning of year	171,992,651	77,920,531
Cash and cash equivalents, end of year	\$ 161,435,635	\$ 171,992,651
(Decrease) increase in net assets	\$ (1,865,112,519)	\$ 595,677,334
Adjustments to reconcile (decrease) increase in net assets to net cash used in operating activities:		
Depreciation and amortization	2,271,588	1,390,595
Deferred federal excise tax	(9,562,576)	985,686
Net realized and unrealized loss (gain) on investments	1,711,328,489	(790,794,101)
Changes in operating assets and liabilities:		
Dividends and interest receivable	3,689,458	469,175
Program-related investment	(700,654)	10,000,000
Refundable advances	-	11,189,971
Prepaid expenses and other assets	(177,032)	(188,545)
Accounts payable and accrued liabilities	2,176,692	222,649
Grants payable	(26,633,106)	(20,868,484)
Prepaid federal excise tax and federal excise tax payable currently	(1,637,236)	(2,926,246)
Net cash used in operating activities	\$ (184,356,896)	\$ (194,841,966)
Supplemental data for non-cash activities		
Interest credited on refundable advances	\$ -	\$ 744,087
Refundable advance expensed to grants	\$ -	\$ 8,446,897
Investment redemption receivable	\$ 131,415,703	\$ 140,046,874

See accompanying notes.

Gordon E. and Betty I. Moore Foundation

Notes to Consolidated Financial Statements

December 31, 2008

1. The Organization

Gordon E. and Betty I. Moore Foundation (the Foundation) is a private foundation established by Gordon and Betty Moore in September 2000. In keeping with the Moore's philanthropic interests, the Foundation's grantmaking activities are concentrated within initiatives in the three areas of science, environmental conservation, and the San Francisco Bay Area. More detailed information regarding the Foundation's charitable activities can be obtained from the Foundation's Web site at www.moore.org.

2. Summary of Significant Accounting Policies

Basis of Presentation

The consolidated financial statements and accompanying notes are prepared in accordance with accounting principles generally accepted in the United States.

Cash and Cash Equivalents

Cash and cash equivalents consist of demand deposits and money market funds maintained at major commercial banks and are held for operating purposes. The Foundation considers all highly liquid instruments with maturities of three months or less at the time of purchase to be cash equivalents.

Concentrations of Credit Risk

Financial instruments that potentially subject the Foundation to concentrations of credit risk consist principally of cash and bonds. The Foundation maintains its cash and cash equivalents with high quality financial institutions and such amounts may exceed Federal Deposit Insurance Corporation limits. The Foundation's investments in corporate and government bonds are exposed to issuer credit risk until these bonds are sold or mature.

Investments

Investments in marketable securities are carried at fair value. Stocks and bonds that are listed on national securities exchanges, quoted on NASDAQ, or on the over-the-counter market are valued at the last reported sale price, or in the absence of a recorded sale, at the most recent bid price at December 31, 2008. Futures, forwards, and options that are traded on exchanges are valued at the last reported sale price or, if they are traded over-the-counter, at the most recent bid price.

Gordon E. and Betty I. Moore Foundation

Notes to Consolidated Financial Statements (continued)

2. Summary of Significant Accounting Policies (continued)

Commingled funds are valued at amounts reported by the investment manager, which are based on the last reported sale price of the securities held by such funds.

Since there is no readily available market for investments in limited partnerships and limited liability companies (LLC's), such investments are stated at fair value as estimated in an unquoted market. These investments include securities of companies that may not be immediately liquid, such as private debt and equities, or real estate. Accordingly, their values are based upon guidelines established by their investment managers. The December 31 valuations of these investments are based upon year-end values provided by their investment managers and consideration of other factors related to the Foundation's interests in these investments. The Foundation obtains and considers the audited financial statements performed by nationally recognized accounting firms of such investments when evaluating the overall reasonableness of carrying value. The Foundation believes this method provides a reasonable estimate of fair value as a starting point. However, the recorded value may differ from market value had a readily available market existed for such investments, and those differences could be material.

Investment transactions are recorded on the trade date. Gains or losses that result from market fluctuations are recognized in the period such fluctuations occur. Dividend and interest income are accrued when earned. Gains from private equity funds that are received in cash or securities are reflected in investment income as partnership distributions.

Assets and liabilities denominated in foreign currencies at year end are translated in U.S. dollars based upon exchange rates as of December 31 with any resulting adjustment included in net unrealized gains and losses in investments. Transactions in foreign currencies during the year are translated into U.S. dollars at the exchange rate prevailing on the transaction date as realized gains on sale of investments.

Property and Equipment

Property and equipment is stated at cost and depreciated using the straight-line method over an estimated useful life of three years. Leasehold improvements for the Foundation's existing San Francisco and future Palo Alto headquarters buildings are depreciated using the straight-line method over the remaining lease term of approximately three years and 12 years, respectively.

Gordon E. and Betty I. Moore Foundation

Notes to Consolidated Financial Statements (continued)

2. Summary of Significant Accounting Policies (continued)

Grants

Grants are recognized as expense when the unconditional promise to give is approved. Conditional promises to give are recognized as grant expense in the period in which the recipient meets the terms of the condition. The Foundation ordinarily makes grants to organizations that qualify as public charities under the Internal Revenue Code. When distributions are made to nonqualifying organizations, the Foundation assumes the responsibility for ultimate charitable use.

Fair Value of Financial Instruments

The carrying amounts of cash and cash equivalents, interest and dividends receivable, investment redemption receivables, accounts payable and accrued liabilities approximate fair value because of the short maturity of these items. The carrying value of grants payable approximates fair value since they are carried at their expected payment amounts discounted to present value. The program-related investment is carried at cost plus accrued interest, which approximates fair market value.

Principles of Consolidation

The Foundation's consolidated financial statements include the accounts of GBMF International, Ltd., a wholly owned investment holding company. All inter-company accounts and transactions have been eliminated in consolidation.

Use of Estimates

Preparing financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, income, and expenses and disclosure of commitments. Examples include estimates of investment fair values, and assumptions over the potential outcome of future tax consequences of events that have been recognized in the financial statements or tax returns. Actual results and outcomes may differ from management's estimates and assumptions, and such differences could be material.

Gordon E. and Betty I. Moore Foundation

Notes to Consolidated Financial Statements (continued)

2. Summary of Significant Accounting Policies (continued)

New Accounting Pronouncement

In July 2006, the Financial Accounting Standards Board issued Standards Interpretation No. 48, *Accounting for Uncertainty in Income Taxes* (FIN 48), an interpretation of SFAS No. 109, Accounting for Income Taxes. FIN 48 prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken in the organization's tax return. On December 30, 2008, the FASB issued FIN 48-3, *Effective Date of FASB Interpretation No. 48 for Certain Nonpublic Enterprises* (FSP 48-3) which deferred the effective date of FIN 48. Under FSP 48-3, in the absence of early adoption, FIN 48 will become effective for the Foundation for the fiscal year beginning after December 15, 2008. The Foundation is currently in the process of evaluating the impact on its consolidated financial position and the results of its activities and changes in net assets.

3. Investments

The investment goal of the Foundation is to maintain or grow its spending power in real (inflation adjusted) terms with risk at a level appropriate to the Foundation's programmatic spending and objectives. The Foundation diversifies its investments among various financial instruments and asset categories, and uses multiple investment strategies. The financial assets of the Foundation are managed by a select group of external investment management firms and held in custody by a major commercial bank, except for assets invested with partnerships, LLCs and commingled funds, which have separate arrangements appropriate to their legal structure.

The Foundation's investment portfolio consists of the following:

	December 31			
	2008		2007	
	Cost	Fair Value	Cost	Fair Value
Public equity investments with managers	\$ 1,631,589,703	\$ 1,470,203,929	\$ 1,679,074,987	\$ 2,481,992,613
Fixed income investments with managers	489,569,269	536,701,937	624,338,708	640,718,103
Hedge and private equity funds	2,130,374,350	2,104,863,346	1,997,744,846	2,799,126,280
Cash pending investment	-	-	13,761,505	13,761,505
Cash with investment managers	78,248,602	78,334,445	146,465,146	146,448,030
Total	\$ 4,329,781,924	\$ 4,190,103,657	\$ 4,461,385,192	\$ 6,082,046,531

Gordon E. and Betty I. Moore Foundation

Notes to Consolidated Financial Statements (continued)

3. Investments (continued)

Cash pending investment represents funds committed to investments with fund closings in January of the following year. As of December 31, 2008 and 2007, the Foundation is committed to make additional investments of approximately \$912 million and \$985 million, respectively, to hedge and private equity funds in future years.

Individual investment holdings that represent greater than 5% of the total fair value of investments consist of the following:

	December 31					
	2008		2007			
	Cost	Fair Value	Cost	Fair Value		
Adage Capital Partners, L.P.	\$	–	\$	–	\$ 193,009,224	\$ 312,261,036
GMO International Core Fund		–		–	200,443,557	331,333,609
State Street U.S. Treasury						
1–3 Year Index Commingled Fund		–		–	410,629,822	417,821,015
3–10 Year Index Commingled Fund		233,721,669		256,854,134		

Some investment managers retained by the Foundation have been authorized to use financial derivative instruments in a manner set forth by the Foundation’s written investment policy and specific manager guidelines. Accordingly, the investments of the Foundation include financial instruments involving contractual commitments for future settlements, such as futures and options. Futures and options trading are confined exclusively to recognized futures and options exchanges. Accordingly, the exchange clearinghouse acts as a counterparty to the trade, somewhat reducing the counterparty credit risk. Investment managers, acting on behalf of the Foundation, both purchase and write options. To minimize the risk of loss associated with options trading, the Foundation requires investment managers to employ strategies consistent with prudent investment management.

The Foundation records its financial derivative instruments on a fair value basis with changes in value reflected in the accompanying consolidated statements of activities and changes in net assets. The fair values of such positions represent net unrealized gains and losses, and consequently, the net receivables and payables at December 31, 2008 and 2007, and are included within investments in the consolidated statements of financial position. Additionally, the Foundation has investments in some commingled funds, limited partnerships and LLC’s which invest in a variety of derivative contracts. As a result of active trading and a changing investment environment, the use, type, and amount of derivative instruments held by these investments may vary substantially from period to period.

Gordon E. and Betty I. Moore Foundation

Notes to Consolidated Financial Statements (continued)

3. Investments (continued)

In the opinion of the Foundation's management, the use of financial derivative instruments in its investment program is appropriate and customary for the investment strategies employed. Using those instruments reduces certain investment risks and may add value to the portfolio. The instruments themselves, however, do involve investment and counterparty risk in amounts greater than what are reflected in the Foundation's financial statements. Management expects that losses from such investments, if any, would not materially affect the consolidated financial position of the Foundation. However, there is no assurance that this will be the case.

At December 31, 2008 and 2007, approximately 72% and 70%, respectively, of the Foundation's investment assets were invested in limited partnerships, commingled funds and LLC's. Such investments generally have limited liquidity due to the structure, term, and investment strategy of the funds.

4. Investment Valuation – SFAS 157

In September 2006, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 157, *Fair Value Measurements* (SFAS 157), which is effective for fiscal years beginning after November 15, 2007. Effective January 1, 2008, the Foundation adopted SFAS 157 and investments are recorded at fair value, which is determined by the Foundation in accordance with the provisions of SFAS 157. SFAS 157 establishes a fair value hierarchal disclosure framework which prioritizes and ranks the level of market price observable inputs used in measuring investments at fair value.

The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are as follows:

Level 1 – Inputs based on quoted market prices for identical assets or liabilities in an active market. An active market for the asset or liability is a market in which transactions for the asset or liability occur with sufficient frequency and volume to provide pricing information on an ongoing basis.

Level 2 – Observable market based inputs or unobservable inputs are corroborated by market data. Pricing inputs, including broker quotes, are generally those other than exchange quoted prices in active markets, and fair value is determined through the use of models or other valuation methodologies.

Gordon E. and Betty I. Moore Foundation

Notes to Consolidated Financial Statements (continued)

4. Investment Valuation – SFAS 157 (continued)

Level 3 – Pricing inputs are unobservable and include situations where there is little, if any, market activity for the investment. These inputs into the determination of fair value require significant management judgment or estimation. Due to the inherent uncertainty of these estimates, these values may differ materially from the values that would have been used had a ready market for these investments existed. Investments that are included in this category generally include private fund investment structures and limited partnership interests.

The following table presents the investments carried on the consolidated statements of financial position by level within the valuation hierarchy as of December 31, 2008:

	Level 1	Level 2	Level 3	Total
Public equity investments with managers	\$ 338,724,655	\$ –	\$1,131,479,274	\$1,470,203,929
Fixed income investments with managers	–	141,940	536,559,997	536,701,937
Hedge and private equity funds	* 1,277,027	–	2,103,586,319	2,104,863,346
Cash pending investment	–	–	–	–
Cash with investment managers	78,334,445	–	–	78,334,445
Total	\$ 418,336,127	\$ 141,940	\$3,771,625,590	\$4,190,103,657

* Amount comprises common stock and futures contracts held directly by the Foundation.

The following table includes a rollforward of the amounts for the year ended December 31, 2008 for investments classified within Level 3:

	Fair Value – Level 3
Balance at December 31, 2007	\$ 5,260,683,051
Purchases (sales), net	(86,005,599)
Realized and unrealized gain (loss), net	(1,403,102,836)
Transfers in and/or out of Level 3	50,974
Balance at December 31, 2008	<u>\$ 3,771,625,590</u>
Unrealized gain (loss) included in earnings for the year ended December 31, 2008 for Level 3 investments held at December 31, 2008	\$ (1,515,565,425)

Gordon E. and Betty I. Moore Foundation

Notes to Consolidated Financial Statements (continued)

5. Investment Redemption Receivables

Investment redemption receivables represent deemed withdrawals from investment managers for which the cash has not yet been received.

6. Program-Related Investment

In November 2006, the Foundation made a \$10 million program related investment through the purchase of Bond Anticipation Notes (the BANS) to support the California Institute of Regenerative Medicine. The BANS bore interest at 65% of the one-month LIBOR rate with a maximum interest rate of 4.5% payable upon maturity. The BANS were repaid in full plus accrued interest in October 2007. In July 2008, the Foundation made an interest free \$700,654 program related investment to Middle Bay Sustainable Aquaculture Institute as bridge financing for the construction phase of their close containment aquaculture trial.

7. Property and Equipment

Property and equipment consisted of the following:

	December 31	
	2008	2007
Leasehold improvements	\$ 21,650,586	\$ 7,639,334
Furniture, fixtures and equipment	5,396,098	3,961,674
	27,046,684	11,601,008
Less accumulated depreciation and amortization	8,055,689	5,784,101
Property and equipment, net	\$ 18,990,995	\$ 5,816,907

8. Short Term Borrowings

In December 2006, the Foundation obtained a \$100 million uncommitted line of credit (the Line) from a major commercial bank. The Line was increased to \$150 million in August 2008 with no change to rates. The Line is free of fees, unsecured, and bears interest at rates selected by the Foundation based on Prime, LIBOR, or Bank Offered, all as defined. The Line expires on August 1, 2009, but is renewable annually. The Line also contains covenants over financial reporting, liquidity, and other standard and customary corporate governance matters. Interest expense on borrowings under the Line was \$0 and \$47,984 for the years ended December 31, 2008 and 2007, respectively. There are no amounts currently outstanding under the Line at December 31, 2008.

Gordon E. and Betty I. Moore Foundation

Notes to Consolidated Financial Statements (continued)

9. Taxes and Payout Requirement

The Foundation qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code and, accordingly, is not subject to Federal income tax. However, because the Foundation is classified as a private foundation, it is subject to a federal excise tax of 1% or 2% on net investment income (its principal source of revenue). For the years ended December 31, 2008 and 2007, the Foundation qualified for the 1% tax rate and 2% tax rate, respectively, based on the distribution requirements of Section 4940(e) of the Internal Revenue Code. The Foundation also provides for deferred federal excise tax on unrealized gains on investments at a rate of 2%, which is an estimate of the effective rate expected to be paid. In addition, the Foundation's investments in some limited partnerships give rise to federal and state unrelated business income.

The components of tax expense are as follows:

	Years Ended December 31	
	2008	2007
Current federal excise tax	\$ 1,612,764	\$ 14,186,348
Deferred federal excise tax	(9,562,576)	985,686
Unrelated business income tax	559,781	1,343,302
	<u>\$ (7,390,031)</u>	<u>\$ 16,515,336</u>

The Internal Revenue Code also requires private foundations to annually disburse approximately five percent of the market value of investment assets, less the federal excise tax. This payout requirement may be satisfied by payments for grants, program-related investments, direct conduct of charitable activities and certain administrative expenses. The Foundation had qualifying distributions of \$302 million and \$310 million in fiscal 2008 and 2007, respectively. The Foundation exceeded its payout requirement by \$32 million in 2008 and met the payout requirements after application of historical excess distribution carryforwards of approximately \$5 million in 2007. At December 31, 2008, the Foundation's remaining excess distribution carryforwards totaled approximately \$55 million. Such 2008 approximate amounts are pending finalization of the Foundation's annual tax return on Form 990-PF, with the differences, if any, not expected to be material.

Gordon E. and Betty I. Moore Foundation

Notes to Consolidated Financial Statements (continued)

10. Related Parties

Certain trustees of the Foundation are also trustees, directors or officers of other Section 501(c)(3) organizations to which the Foundation has awarded grants and may award grants in the future. In these circumstances, the Foundation awards grants pursuant to the Foundation's conflict of interest policy.

11. Retirement Plan

The Foundation sponsors a defined contribution plan under Internal Revenue Code Section 401(k). The plan covers all employees who meet eligibility requirements. Contributions to the 401(k) plan are made by the Foundation semimonthly and vest immediately. Total expenses related to such plan were approximately \$1 million for both 2008 and 2007.

12. Commitments

In November 2007, the Foundation approved a commitment of up to \$200 million over a period of 10 years to support further development and construction of the Thirty Meter Telescope (TMT) project. Funding under this commitment will be allocated equally between the California Institute of Technology and the University of California, who are working in partnership on the TMT project. The continuation of this commitment beyond 2010 is conditioned on the California Institute of Technology and the University of California each securing a minimum of \$50 million in matching funds. As of December 31, 2008, no grants had been awarded under this commitment.

The Foundation is also committed to make payments on multi-year grants. Future payments on such awarded but unpaid grants are as follows:

	<u>Unconditional</u>	<u>Conditional</u>
Year ending December 31:		
2009	\$ 30,000,000	\$ 142,176,717
2010	30,000,000	78,357,388
2011	20,000,000	37,272,789
2012	13,056,036	4,335,234
2013 and thereafter	23,158,078	275,762
	116,214,114	<u>\$ 262,417,890</u>
Less: Discount to present value	<u>(3,867,021)</u>	
	<u>\$ 112,347,093</u>	

Gordon E. and Betty I. Moore Foundation

Notes to Consolidated Financial Statements (continued)

12. Commitments (continued)

Unconditional promises to give are discounted to a net present value using risk-free interest rates ranging from 0.76% to 1.87% and were recognized as grant expense in the period in which they were approved. Conditional promises to give will be recognized as grant expense in the period in which the recipient meets the terms of the condition.

The Foundation also has operating leases for its San Francisco and Palo Alto offices, other facilities, and certain furniture and equipment. Rent expense for the years ended December 31, 2008 and 2007 were \$5,137,000 and \$1,745,000, respectively.

Future minimum lease payments under operating leases at December 31, 2008 are as follows:

Year ending December 31:	
2009	\$ 4,699,000
2010	4,769,000
2011	4,274,000
2012	3,208,000
2013	3,304,000
2014 and thereafter	3,404,000
	<u>\$ 23,658,000</u>

In February 2009, the Foundation purchased its Palo Alto office for \$33,800,000, net of a construction allowance of \$3,580,492. Total future minimum lease payments under operating leases are reduced to approximately \$5 million.

13. Indemnifications

The Foundation often enters into contracts with consultants whereby the Foundation agrees to indemnify such consultants from liabilities incurred in the course of performing their contracted work, excluding any liabilities incurred by the consultant's own negligence or willful misconduct. The Foundation's maximum exposure under these agreements is unknown; however, the Foundation has not had prior claims or losses pursuant to these contracts and expects the risk of loss to be remote.

Other Financial Information

Report of Independent Auditors on Other Financial Information

The Board of Trustees
Gordon E. and Betty I. Moore Foundation and Subsidiary

Our report on the audit of basic consolidated financial statements of Gordon E. and Betty I. Moore Foundation and subsidiary as of December 31, 2008 and 2007 and for the years then ended appears on page 1. Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The accompanying other financial information on pages 17 to 21 is presented for purposes of additional analysis and is not a required part of the basic consolidated financial statements. Such information has been subjected to the auditing procedures applied in our audits of the consolidated financial statements and, in our opinion, is fairly stated in all material respects in relation to the consolidated financial statements taken as a whole.

Ernst + Young LLP

June 25, 2009

Gordon E. and Betty I. Moore Foundation

Schedule of Conditional Grants Committed

December 31, 2008

Grantees	<u>Remaining Commitment</u>
Alameda County Medical Center	\$ 302,000
Alaska Conservation Foundation	332,000
Alaska Wilderness League	300,000
Amazon Conservation Association	1,741,244
Amazon Conservation Team	1,639,899
Amazon Cooperation Treaty Organization	1,423,000
American Bird Conservancy	1,073,746
Bank Information Center	700,847
California Council on Science and Technology	2,656,267
California Institute of Technology (TMT)	6,000,000
California Pacific Medical Center	226,750
Cape Cod Commercial Hook Fishermen's Association	226,075
Carnegie Institution of Washington	1,193,038
Carnegie Institution of Washington	1,750,000
Catholic Healthcare West	998,650
Catholic Healthcare West, St. Mary's Medical Center	288,389
Center for Quality Systems Improvement	226,000
Centro de Conservacion, Investigacion y Manejo de Areas Naturales	250,000
Chabot Space & Science Center	281,862
Chinese Hospital	295,830
Conservation Fund	1,377,038
Conservation International	1,529,000
Conservation International	2,392,000
Conservation International	2,757,659
Conservation International	3,290,833
Conservation International	6,283,333
Conservation International	10,249,000
Conservation International	22,153,950
Conservation International	27,752,342
Conservation Strategy Fund	417,133
Daughters of Charity Health System	1,244,000
Driftwood Foundation	355,102
Earthworks	200,373
Ecotrust	370,197
Ecotrust	387,008
Environmental Defense Fund	702,460
Environmental Defense Fund	1,031,996
Environmental Defense Fund	1,124,566
Exploratorium	185,197
Exploratorium	200,000
Exploratorium	1,475,332
Fedora Commons	2,762,409
Field Museum	927,210
Fondo de las Americas	502,000
Forest Ethics	343,440

Gordon E. and Betty I. Moore Foundation

Schedule of Conditional Grants Committed (continued)

December 31, 2008

Grantees	Remaining Commitment
Fundação Bioma	\$ 116,742
Fundação de Apoio e Desenvolvimento da Universidade Federal de Mato Grosso	54,714
Fundação Djalma Batista	1,672,759
Fundacao Vitoria Amazonica	773,128
Fundación Amigos de la Naturaleza	1,609,004
Fundacion Fondo de Apoyo a la Biodiversidad y las Areas Protegidas de Colombia	809,000
Fundación Natura	160,099
Fundación para la Supervivencia del Pueblo Cofán	284,032
Fundación Peruana para la Conservación de la Naturaleza	1,098,221
Fundo Brasileiro para a Biodiversidade	127,365
Gulf of Maine Research Institute	121,000
Gulf of Maine Research Institute	616,919
H. John Heinz III Center for Science Economics and the Environment	605,684
Harvard University, Department of Organismic and Evolutionary Biology	1,170,594
Healthcare Foundation of Northern and Central California	4,085,000
Institute for Healthcare Improvement	75,000
Institute for Healthcare Improvement	98,750
Instituto de Hidrologia, Meteorologia y Estudios Ambientales	1,280,789
Instituto del Bien Comun	1,080,597
Instituto do Homem e Meio Ambiente da Amazonia	429,337
Instituto Floresta Tropical	281,052
Instituto Internacional de Educação do Brasil	1,308,244
Instituto Socioambiental	906,186
Internet Archive	490,939
Iwokrama International Centre for Rain Forest Conservation and Development	1,569,881
J. Craig Venter Institute	686,388
J. Craig Venter Institute	794,635
Johns Hopkins University, Department of Physics and Astronomy	197,000
Kaiser Foundation Hospitals	1,200,000
KQED	666,666
Living Oceans Society	782,649
Marine Biological Laboratory	138,750
Massachusetts Institute of Technology	3,419,468
Massachusetts Institute of Technology	3,590,923
Massachusetts Institute of Technology, Department of Civil and Environmental Engineering	208,281
Massachusetts Institute of Technology, Broad Institute	961,944
Massachusetts Institute of Technology, Department Earth, Atmospheric and Planetary Sciences	504,835
Mills College	37,740
Missouri Botanical Garden	106,267
Monterey Bay Aquarium Research Institute	339,471
National Audubon Society, Alaska State Office	200,000
National Forest Foundation	397,830
National Wildlife Federation	210,867
Nature and Culture International	731,390

Gordon E. and Betty I. Moore Foundation

Schedule of Conditional Grants Committed (continued)

December 31, 2008

Grantees	<u>Remaining Commitment</u>
Oregon State University, College of Oceanic and Atmospheric Sciences	\$ 2,048,660
Oregon State University, Department of Microbiology	623,668
Oregon State University, Department of Microbiology	1,769,921
Oregon State University, Department of Zoology	1,786,358
Organization for Tropical Studies	481,334
Pacific Environment	495,524
Pacific Salmon Foundation	911,284
Pembina Foundation for Environmental Research and Education	207,540
Pennsylvania State University, Department of Biochemistry and Molecular Biology	235,760
Pew Charitable Trusts	625,000
Renewable Resources Coalition	376,300
Resources Legacy Fund	226,612
Resources Legacy Fund Foundation	4,181,805
Rochester Institute of Technology, Rochester Imaging Detector Laboratory	2,272,837
Round River Conservation Studies	350,000
Round River Conservation Studies	1,600,000
Rutgers University, Department of Geography	310,972
Sage Centre (1599)	174,588
San Francisco General Hospital Foundation	2,535,764
San Francisco State University, Office of Research and Sponsored Programs	175,486
San Jose State University Foundation	415,097
San Jose State University Foundation	476,675
Secretaria de Estado do Meio Ambiente e Desenvolvimento Sustentável	1,036,535
Smithsonian Institution, Astrophysical Observatory	754,287
Sociedad Peruana de Derecho Ambiental	316,187
Sonoma Land Trust	2,000,000
Southeast Alaska Conservation Council	480,000
Stanford University, Center for Primary Care and Outcomes Research	125,000
Stanford University, Woods Institute for the Environment	1,002,870
Sutter Health Systems	700,000
Sutter Health Systems	1,190,281
T. Buck Suzuki Environmental Foundation	113,573
Tech Museum of Innovation	313,103
The Nature Conservancy - Alaska	813,519
The Nature Conservancy - Alaska	1,085,679
Tides Canada Foundation	772,635
Tides Center, Communication Partnership for Science and the Sea	371,548
Trout Unlimited	1,111,481
Turning Point Initiative Society (1406)	601,406
Universidad de los Andes	178,000
University of California	6,000,000
University of California, Berkeley Division of Mathematical and Physical Sciences	500,625
University of California, Berkeley Office of the Vice Chancellor for Research	2,979,159
University of California, Berkeley, Department of Integrative Biology	79,000

Gordon E. and Betty I. Moore Foundation

Schedule of Conditional Grants Committed (continued)

December 31, 2008

Grantees	Remaining Commitment
University of California, Davis Genome Center	\$ 1,265,248
University of California, San Diego California Institute for Telecommunications and Information Technology	471,241
University of California, San Diego California Institute for Telecommunications and Information Technology	7,287,768
University of California, San Francisco Center for the Health Professions	3,846,762
University of California, San Francisco Center for the Health Professions	3,875,996
University of California, San Francisco Medical Center	350,000
University of California, San Francisco School of Nursing	101,000
University of California, San Francisco School of Nursing	199,237
University of California, Santa Cruz Department of Ocean Sciences, Institute of Marine Science	3,857,911
University of California, Santa Cruz Department of Ocean Sciences, School of Earth & Marine Science	2,895,577
University of Chicago, Department of Astronomy & Astrophysics	423,055
University of Florida, Division of Sponsored Research	1,813,415
University of Georgia Foundation	526,436
University of Georgia Foundation	1,849,892
University of Hawaii Foundation	268,315
University of Hawaii Foundation	560,981
University of Hawaii Foundation	2,881,456
University of Leeds	2,813,004
University of Massachusetts Boston, John W. McCormack Graduate School of Policy Studies	5,195,453
University of Montana, Flathead Lake Biological Station	140,000
University of Montana, Flathead Lake Biological Station	715,416
University of Southern California, Department of Biological Sciences	1,900,000
University of Washington, School of Aquatic and Fishery Sciences	119,190
University of Washington, School of Aquatic and Fishery Sciences	1,232,026
University of Washington, School of Aquatic and Fishery Sciences	2,425,972
University of Washington, School of Oceanography	788,706
University of Washington, School of Oceanography	2,332,417
Valley Medical Center Foundation	431,795
ValleyCare Health System	349,380
Vancouver Aquarium Marine Science Center	496,360
Washington Hospital Healthcare Foundation	240,000
Watershed Watch	150,000
West Coast Vancouver Island Aquatic Management Association	608,547
Wild Salmon Center	4,338,230
Wildlife Conservation Society	296,127
Wildlife Conservation Society	307,534
Wildlife Conservation Society	360,777
Woods Hole Oceanographic Institution	367,657
Woods Hole Oceanographic Institution	588,229
Woods Hole Research Center	495,319
Woods Hole Research Center	907,879

Gordon E. and Betty I. Moore Foundation

Schedule of Conditional Grants Committed (continued)

December 31, 2008

Grantees	<u>Remaining Commitment</u>
Woods Hole Research Center	\$ 1,129,436
World Media Foundation	285,154
World Wildlife Fund	50,000
World Wildlife Fund	154,336
World Wildlife Fund	1,241,357
World Wildlife Fund	1,843,000
World Wildlife Fund	4,464,121
World Wildlife Fund Canada	450,790
Total remaining conditional commitments	<u>\$ 262,417,890</u>

Ernst & Young LLP

Assurance | Tax | Transactions | Advisory

About Ernst & Young

Ernst & Young is a global leader in assurance, tax, transaction and advisory services.

Worldwide, our 135,000 people are united by our shared values and an unwavering commitment to quality. We make a difference by helping our people, our clients and our wider communities achieve their potential.

www.ey.com

