

CONSOLIDATED FINANCIAL STATEMENTS

Gordon E. and Betty I. Moore Foundation  
Years Ended December 31, 2020 and 2019  
With Report of Independent Auditors

Ernst & Young LLP



Gordon E. and Betty I. Moore Foundation

Consolidated Financial Statements

Years Ended December 31, 2020 and 2019

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## Report of Independent Auditors

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

We have audited the accompanying consolidated financial statements of Gordon E. and Betty I. Moore Foundation, which comprise the consolidated statements of financial position as of December 31, 2020 and 2019, and the related consolidated statements of activities and changes in net assets and cash flows for the years then ended, and the related notes to the consolidated financial statements.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in conformity with U.S. generally accepted accounting principles; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free of material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

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 of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



## 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 at December 31, 2020 and 2019, 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*

August 6, 2021

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

	<b>December 31</b>	
	<b>2020</b>	<b>2019</b>
<b>Assets</b>		
Cash and cash equivalents	\$ 132,407,561	\$ 45,450,687
Dividends and interest receivable	148,940	343,228
Investments, at fair value	8,076,516,592	6,876,532,674
Pending investments	60,230,085	35,000,000
Investment redemptions receivable	260,869,354	164,422,877
Program related investments	1,657,500	2,565,000
Property and equipment, net	34,902,297	36,513,835
Prepaid federal excise tax	6,564,055	9,737,386
Prepaid expenses and other assets	1,286,127	1,146,601
Total assets	<u>\$ 8,574,582,511</u>	<u>\$ 7,171,712,288</u>
<b>Liabilities and net assets</b>		
Liabilities:		
Accounts payable and accrued liabilities	\$ 18,598,499	\$ 16,365,173
Short term borrowings	100,009,366	-
Grants payable	16,359,203	15,000,000
Deferred federal excise tax	44,918,693	29,694,054
Total liabilities	<u>179,885,761</u>	<u>61,059,227</u>
Net assets, without donor restrictions	<u>8,394,696,750</u>	<u>7,110,653,061</u>
Total liabilities and net assets	<u>\$ 8,574,582,511</u>	<u>\$ 7,171,712,288</u>

*See accompanying notes.*

Gordon E. and Betty I. Moore Foundation

Consolidated Statements of Activities and Changes in Net Assets

	<b>Year Ended December 31</b>	
	<b>2020</b>	<b>2019</b>
<b>Revenues</b>		
Net investment income	<b>\$ 1,603,365,516</b>	\$ 1,040,041,842
Tax expense on investment income	<b>19,692,316</b>	22,838,290
Investment return, net	<b>1,583,673,200</b>	1,017,203,552
<b>Expenses</b>		
Grants	<b>269,200,958</b>	296,587,694
Supporting	<b>28,180,004</b>	31,500,432
Direct charitable	<b>2,248,549</b>	3,693,833
Total expenses	<b>299,629,511</b>	331,781,959
Change in net assets without donor restrictions	<b>1,284,043,689</b>	685,421,593
Net assets, beginning of year	<b>7,110,653,061</b>	6,425,231,468
Net assets, end of year	<b>\$ 8,394,696,750</b>	\$ 7,110,653,061

*See accompanying notes.*

# Gordon E. and Betty I. Moore Foundation

## Consolidated Statements of Cash Flows

	<b>Year Ended December 31</b>	
	<b>2020</b>	<b>2019</b>
<b>Cash flows from operating activities</b>		
Interest, dividends, and partnership distributions received	\$ 146,956,842	\$ 113,858,901
Tax payments	(1,294,346)	(1,877,072)
Cash paid to investment managers, suppliers, and employees	(46,715,701)	(48,905,840)
Grants paid	(267,841,755)	(295,087,694)
Net cash used in operating activities	(168,894,960)	(232,011,705)
<b>Cash flows from investing activities</b>		
Program-related investments	907,500	–
Repayment of program-related investments	–	385,000
Purchases of investments	(849,471,013)	(319,686,881)
Proceeds from sale of investments	1,004,800,285	451,152,999
Purchases of property and equipment	(394,304)	(347,681)
Net cash provided by investing activities	155,842,468	131,503,437
<b>Cash flows from financing activities</b>		
Proceeds from short term borrowing	100,009,366	–
Net cash provided by financing activities	100,009,366	–
Change in cash and cash equivalents	86,956,874	(100,508,268)
Cash and cash equivalents, beginning of year	45,450,687	145,958,955
Cash and cash equivalents, end of year	\$ 132,407,561	\$ 45,450,687
Change in net assets	\$ 1,284,043,689	\$ 685,421,593
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Depreciation and amortization	2,005,842	2,182,224
Deferred federal excise tax	15,224,639	19,109,212
Net realized and unrealized gain on investments	(1,476,989,752)	(943,772,797)
Changes in operating assets and liabilities:		
Dividends and interest receivable	194,288	133,322
Prepaid expenses and other assets	(139,526)	334,859
Accounts payable and accrued liabilities	2,233,326	1,227,876
Grants payable	1,359,203	1,500,000
Prepaid federal excise tax	3,173,331	1,852,006
Net cash used in operating activities	\$ (168,894,960)	\$ (232,011,705)
<b>Supplemental data for non-cash activities</b>		
Investment redemptions receivable	\$ 260,869,354	\$ 164,422,877

See accompanying notes.

Gordon E. and Betty I. Moore Foundation  
Notes to Consolidated Financial Statements

December 31, 2020

**1. The Organization**

The Gordon E. and Betty I. Moore Foundation (the Foundation) is a tax-exempt private foundation established by Gordon and Betty Moore in September 2000. The Foundation fosters path-breaking scientific discovery, environmental conservation, patient care improvements and preservation of the special character of the Bay Area. Visit Moore.org or follow @MooreFound.

**2. Summary of Significant Accounting Policies**

**Basis of Presentation**

The consolidated financial statements and accompanying notes are prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States (U.S. GAAP).

**Net Assets Classification**

The Foundation's net assets are all classified as net assets without donor restrictions. The Foundation has no assets with donor restrictions.

**Cash and Cash Equivalents**

Cash and cash equivalents consist of demand deposits and short-term investment funds maintained at 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. Amounts held could exceed federally insured limits.

**Investments**

Investments 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 the reporting date. 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.

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



## Gordon E. and Betty I. Moore Foundation

### Notes to Consolidated Financial Statements (continued)

#### **2. Summary of Significant Accounting Policies (continued)**

Since there is no readily available market for investments in limited partnerships and limited liability companies (LLCs), such investments are stated at fair value as estimated in an inactive market. These investments include securities of companies that may not be immediately liquid, such as private debt and equity securities, or real estate or other assets. The December 31 valuations of these investments are based upon year-end values provided by the investment managers, based on guidelines established by those 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 of such investments when evaluating the overall reasonableness of carrying value. The Foundation believes this method provides a reasonable estimate of fair value. 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. Realized gains or losses are recognized in the period sales or other transactions occur and are computed using the specific identification method. Assets and liabilities denominated in foreign currencies at year end are translated into U.S. dollars based upon exchange rates as of December 31, with any resulting adjustment included in net change in unrealized gains on investments. Transactions in foreign currencies during the year are translated into U.S. dollars at the exchange rate prevailing on the transaction date and recorded as part of realized gains on sale of investments. Dividend and interest income are accrued when earned. Gains from private equity funds, which may be received in cash or securities, are reflected in investment income as Partnership distributions.

Realized and unrealized gains or losses on investments, partnership distributions, interest and dividends, net of investment expenses are included in net investment income (loss) on the consolidated statements of activities and changes in net assets.

#### **Pending Investments**

Pending investments represent funds committed to investments and funded at year end but closed in January of the following year.

#### **Investment Redemptions Receivable**

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

## Gordon E. and Betty I. Moore Foundation

### Notes to Consolidated Financial Statements (continued)

#### **2. Summary of Significant Accounting Policies (continued)**

##### **Property and Equipment**

Property and equipment are stated at cost and depreciated using the straight-line method over estimated useful lives of 3 to 31 years. Leasehold improvements for the Foundation's Palo Alto premises are depreciated using the straight-line method over the remaining lease term of approximately 20 years.

##### **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. As of December 31, 2020, the Foundation's unconditional promises to give was \$1.4 million. There were no unconditional promises to give in 2019.

##### **Expense Allocations**

Investment expenses include internal expenses, such as compensation and occupancy costs for the Foundation's investment staff as well as amounts paid to third parties.

The Foundation's operating expenses have been allocated between supporting expenses and direct charitable expenses. The Foundation's direct charitable expenses represent the amount spent on activities conducted by foundation staff or by third parties (other than through grants) that are in direct support of its program areas and the philanthropic sector. Supporting expenses represent amounts spent on grantmaking and administrative activities of the Foundation.

##### **Fair Value of Financial Instruments**

The carrying amounts of cash and cash equivalents, dividends and interest receivable, investment redemption receivables, and 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. Program-related investments, which consist of loans receivable, are carried at cost, which approximates fair value.

## Gordon E. and Betty I. Moore Foundation

### Notes to Consolidated Financial Statements (continued)

#### **2. Summary of Significant Accounting Policies (continued)**

##### **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. GBMF International was fully dissolved in December 2020.

##### **Taxes**

The Foundation is exempt from federal income taxes under Section 501(c)(3) and is classified as a private foundation under Section 509(a) of the Internal Revenue Code. However, the Foundation is subject to federal excise taxes and taxes on unrelated business income. The Foundation also provides for deferred federal excise tax at an estimate of the effective rate expected to be paid.

##### **Use of Estimates**

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses, and disclosure of commitments. Actual results and outcomes may differ from management's estimates and assumptions, and such differences could be material.

##### **New Accounting Pronouncements**

In February 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-02, *Leases*, amending the Accounting Standards Codification (ASC) 842. This update requires lessees to recognize operating and financing lease liabilities and corresponding right-of use assets on the consolidated statements of financial position. ASU 2016-02 is effective for annual reporting periods beginning after December 15, 2021. The Foundation is evaluating the impact of this guidance on its consolidated financial statements.

## Gordon E. and Betty I. Moore Foundation

### Notes to Consolidated Financial Statements (continued)

#### 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.

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 government bonds are exposed to issuer credit risk until these bonds are sold or mature. The Foundation's investment portfolio consists of the following:

	December 31, 2020		December 31, 2019	
	Cost	Fair Value	Cost	Fair Value
<b>Assets</b>				
Public equities	\$ 1,068,509,838	\$ 2,028,597,839	\$ 1,123,264,847	\$ 1,921,007,528
Fixed income	687,350,268	776,878,137	686,358,001	753,365,870
Hedge funds	1,118,493,960	1,952,474,741	1,139,563,065	1,828,935,947
Excess returns	1,069,655,590	2,486,009,160	964,182,797	1,571,602,851
Real assets	894,784,110	826,391,002	814,987,716	789,725,870
Cash and cash equivalents	6,162,283	6,165,713	11,913,379	11,894,608
<b>Total</b>	<b>\$ 4,844,956,049</b>	<b>\$ 8,076,516,592</b>	<b>\$ 4,740,269,805</b>	<b>\$ 6,876,532,674</b>

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

	December 31, 2020		December 31, 2019	
	Cost	Fair Value	Cost	Fair Value
State Street U.S. Treasury 1-3 Year Index Commingled Fund	\$ 687,350,268	\$ 776,878,137	\$ 686,358,001	\$ 753,365,870

At December 31, 2020 and 2019, approximately 84% and 81%, respectively, of the Foundation's investment assets were invested in limited partnerships, LLCs and certain commingled funds. Such investments generally have limited liquidity due to the structure, term, and investment strategy of the funds.

## Gordon E. and Betty I. Moore Foundation

### Notes to Consolidated Financial Statements (continued)

#### 4. Fair Value

ASC 820, *Fair Value Measurement*, establishes a fair value disclosure framework which prioritizes and ranks the level of observable inputs used in measuring investments at fair value.

The three levels of the fair value hierarchy are as follows:

- Level 1* – Inputs based on quoted prices for identical assets or liabilities in an active market that the Foundation can access. 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. A quoted price in an active market usually provides the most reliable evidence of fair value and is generally used without adjustment if available.
- Level 2* – Inputs that are observable either directly or indirectly but are not Level 1 inputs. Level 2 inputs include quoted prices for similar instruments, broker quotes, or observable inputs that directly impact value such as interest rates, prepayment speeds, and credit risk. 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. The Foundation held no Level 2 investments as of December 31, 2020 and 2019.
- Level 3* – Pricing inputs that are unobservable. Level 3 inputs are generally used in 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. The Foundation held no Level 3 investments as of December 31, 2020 and 2019.
- NAV* – Investments measured using net asset value (NAV) per share (or its equivalent) as the practical expedient have not been classified in the fair value hierarchy. These investments are presented to permit reconciliation of the fair value hierarchy table to the total investments at fair value presented in the consolidated statements of financial position. 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 interest, without quoted prices.

Gordon E. and Betty I. Moore Foundation

Notes to Consolidated Financial Statements (continued)

**4. Fair Value (continued)**

The following table presents the investments carried on the consolidated statements of financial position by level within the fair value hierarchy as of December 31, 2020 and 2019, respectively:

	Level 1	NAV	Total
<b>Assets</b>			
Public equities	\$ 215,106,584	\$ 1,813,491,255	\$ 2,028,597,839
Fixed income	–	776,878,137	776,878,137
Hedge funds	–	1,952,474,741	1,952,474,741
Excess returns	–	2,486,009,160	2,486,009,160
Real assets	–	826,391,002	826,391,002
Cash and cash equivalents	6,165,713	–	6,165,713
Total as of December 31, 2020	<u>\$ 221,272,297</u>	<u>\$ 7,855,244,295</u>	<u>\$ 8,076,516,592</u>

	Level 1	NAV	Total
<b>Assets</b>			
Public equities	\$ 205,779,501	\$ 1,715,228,027	\$ 1,921,007,528
Fixed income	–	753,365,870	753,365,870
Hedge funds	–	1,828,935,947	1,828,935,947
Excess returns	–	1,571,602,851	1,571,602,851
Real assets	–	789,725,870	789,725,870
Cash and cash equivalents	11,894,608	–	11,894,608
Total as of December 31, 2019	<u>\$ 217,674,109</u>	<u>\$ 6,658,858,565</u>	<u>\$ 6,876,532,674</u>

There were no purchases of Level 3 securities and no transfers between levels of the fair value hierarchy for the year ended December 31, 2020 and 2019.

Fair value estimates may be subject to a higher degree of variability and volatility due to the ongoing COVID-19 pandemic and uncertainty in financial markets and economic conditions.

As of December 31, 2020 and 2019, the Foundation is committed to make additional investments of approximately \$977 million and \$1,089 million, respectively, in future years.

Gordon E. and Betty I. Moore Foundation

Notes to Consolidated Financial Statements (continued)

**4. Fair Value (continued)**

The Foundation invests in alternative investments, which are structured as partnerships, limited liability companies, and offshore investment funds. The following table summarizes the investment strategy types of the alternative investments as of December 31, 2020:

<b>Assets</b>	<b>Investment strategy</b>	<b>Fair Value</b>	<b>Life of Funds (Years)</b>	<b>Unfunded Commitments</b>	<b>Redemption Terms</b>	<b>Redemption Restrictions</b>
Public equities	Global, primarily long-only equities	\$ 1,813,491,255	0–5	\$ –	Ranges from daily to three-year rolling redemption with notice between 2 to 180 days	Lock up provisions of up to three years for certain funds
Hedge funds	Range of investment strategies across developed and emerging markets including long/short equity, absolute return, credit focused, and event-driven funds. Strategies may include liquid and illiquid underlying assets	1,952,474,741	0–12	17,000,000	Ranges from quarterly to five-year rolling redemption with notice between 45 to 150 days. Certain funds have no redemption rights until dissolution of the fund	Lock up provisions of up to five years for certain funds with two funds completely illiquid
Excess returns	Private equity and venture capital	2,486,009,160	0–18	446,160,195	Not eligible for redemption except for one fund with redemption rights every other year with 90 days' notice	Funds are primarily illiquid except for one fund
Real assets	Real estate and natural resources	826,391,002	0–15	514,108,708	Not eligible for redemption	Not eligible for redemption
Fixed income	U.S. Treasury Index Fund invested in securities of various durations	776,878,137	–	–	Daily redemption with two days' notice	None
		<u>\$ 7,855,244,295</u>	<u>–</u>	<u>\$ 977,268,903</u>		

## Gordon E. and Betty I. Moore Foundation

### Notes to Consolidated Financial Statements (continued)

#### 5. Program-Related Investments

The Foundation has made program-related investments in the form of loans with below market terms to organizations to assist them in achieving their charitable mission. These loans were funded up to two years and are expected to be repaid over an additional five to seven years, and bear interest at the rate of 1%. These loans are recorded on the consolidated statements of financial position at their principal amount, which approximates their fair value.

In addition, in August 2018, the Foundation renewed its guarantee of a bank loan to a charitable organization. The maximum exposure under the guarantee is \$22.5 million and the related loan will mature in 2028. The exposure is recorded based on the likelihood of payment under the guarantee. At December 31, 2020, the recorded amount for the guarantee is \$15 million, which is included in grants payable in the consolidated statements of financial position. If the Foundation is required to make payments under the guarantee, it has certain rights to collect on pledges receivable and other security to the existing bank loan. The Foundation currently believes that it is neither probable nor remote that it will have to make any payments under the guarantee.

#### 6. Property and Equipment

Property and equipment consisted of the following:

	<b>December 31</b>	
	<b>2020</b>	<b>2019</b>
Buildings	\$ 33,803,007	\$ 33,803,007
Leasehold improvements	26,727,413	26,381,413
Furniture, fixtures, and equipment	11,922,894	11,874,590
	<u>72,453,314</u>	<u>72,059,010</u>
Less accumulated depreciation and amortization	(37,551,017)	(35,545,175)
Property and equipment, net	<u>\$ 34,902,297</u>	<u>\$ 36,513,835</u>



## Gordon E. and Betty I. Moore Foundation

### Notes to Consolidated Financial Statements (continued)

#### 7. Credit Facilities

The Foundation maintains a \$150 million uncommitted line of credit (the Line) to provide short-term working capital needs of the Foundation, carrying an interest rate of either Prime, LIBOR plus 0.40%, or a Bank Offered Rate, as defined within the Line's Master Note. As of December 31, 2020 and 2019, the amount outstanding against this facility was \$100 million and \$0, respectively.

#### 8. Taxes and Payout Requirement

Through December 31, 2019, the Foundation was subject to federal excise taxes imposed on private foundations at 2%, or at 1% if certain conditions were met. The excise taxes on private foundations were simplified by replacing the two-tier system with a flat rate of 1.39% excise tax on net investment income as defined by Section 4940(a) of the Internal Revenue Code, effective January 1, 2020. The Foundation provided for excise taxes at the 1.39% and 1% excise tax rates for the years ended December 31, 2020 and 2019, respectively. The deferred excise tax provision is based on a 1.39% rate on cumulative net unrealized gains on investments. In addition, the Foundation's investments in some limited partnerships may give rise to taxable federal and state unrelated business income.

The components of tax expense on investment income are as follows:

	<b>Year Ended December 31</b>	
	<b>2020</b>	<b>2019</b>
Current federal excise tax	\$ 5,580,082	\$ 4,383,746
Deferred federal excise tax	15,224,639	19,109,212
Unrelated business income tax	(1,112,405)	(654,668)
	<u>\$ 19,692,316</u>	<u>\$ 22,838,290</u>

The Internal Revenue Code (IRC) requires private foundations to annually disburse approximately five percent of the net value of its noncharitable-use assets, as defined. The investments included in the five percent distribution requirement are based on average monthly balances and are exclusive of those assets deemed to be held for charitable activities or program-related investments. 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 \$300 million and \$330 million in 2020 and 2019, respectively.

## Gordon E. and Betty I. Moore Foundation

### Notes to Consolidated Financial Statements (continued)

#### **8. Taxes and Payout Requirement (continued)**

The Foundation's qualifying distributions are expected to be below the payout requirements in 2020. At December 31, 2020, the Foundation's cumulative qualifying distribution shortfall is approximately \$86 million, which will be satisfied through distributions in 2021. Amounts for 2020 are estimated pending finalization of the Foundation's annual tax return on Form 990-PF, with the differences, if any, not expected to be material. The Foundation believes it has appropriate support for the excise tax and unrelated business income tax positions taken, as well as foreign investment tax positions, and, as such, does not have any uncertain tax positions that result in a material impact on the Foundation's consolidated statements of financial position or consolidated statements of activities and changes in net assets.

#### **9. 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 and federal tax law prohibiting self-dealing.

#### **10. Retirement Plan**

The Foundation sponsors a defined contribution plan (the Plan) under IRC Section 401(k). The Plan covers all employees who meet eligibility requirements. Contributions to the Plan are made by the Foundation semi-monthly and vest immediately. Total expenses related to such plan for 2020 and 2019 were approximately \$1.6 million for each year, and are included in net investment income (loss) and supporting expenses on the consolidated statements of activities and changes in net assets.

## Gordon E. and Betty I. Moore Foundation

### Notes to Consolidated Financial Statements (continued)

#### 11. Commitments

In November 2007, the Foundation approved an additional commitment of \$200 million to a total of \$250 million to support 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. As of December 31, 2020, \$216.5 million in 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:		
2021	\$ 1,249,203	\$ 103,523,965
2022	110,000	77,390,641
2023	–	24,824,310
2024 and thereafter	–	16,594,204
	<u>\$ 1,359,203</u>	<u>\$ 222,333,120</u>

Unconditional promises 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. Rent expense, net of sublease income, for the years ended December 31, 2020 and 2019, was \$719,000 and \$810,000, respectively.

Future minimum lease payments under operating leases, net of estimated sublease income, at December 31, 2020, are as follows:

Year ending December 31:	
2021	\$ 1,100,000
2022	1,389,000
2023	1,413,000

Gordon E. and Betty I. Moore Foundation

Notes to Consolidated Financial Statements (continued)

**12. Analysis of Expenses**

The Foundation's expenses are allocated between grantmaking, direct charitable, and operational support activities. Grantmaking expenses pertain to the general grantmaking activities of the Foundation. Direct charitable expenses pertain to charitable activities for the benefit of others initiated and conducted in whole or in part by the Foundation. Operational support expenses include administrative costs related to managing the Foundation. The Foundation's functional expenses, displayed by natural expense classification, for the year ended December 31, 2020 and 2019, were as follows:

	<b>Grantmaking</b>	<b>Direct Charitable</b>	<b>Operational Support</b>	<b>Total Expenses</b>
Grants	\$ 269,200,958	\$ —	\$ —	\$ 269,200,958
Salary, benefits and payroll taxes	9,834,269	—	10,772,488	20,606,757
Legal fees	59,992	—	110,907	170,899
Accounting fees	—	—	364,664	364,664
Other professional fees	775,929	2,248,459	1,738,428	4,762,816
Depreciation	—	—	1,989,437	1,989,437
Occupancy	404,423	—	398,322	802,745
Travel, conferences and meetings	351,276	—	179,651	530,927
Printing and publications	29,056	—	111,705	140,761
Other expenses	388,259	—	671,288	1,059,547
Total as of December 31, 2020	<u>\$ 281,044,162</u>	<u>\$ 2,248,459</u>	<u>\$ 16,336,890</u>	<u>\$ 299,629,511</u>

	<b>Grantmaking</b>	<b>Direct Charitable</b>	<b>Operational Support</b>	<b>Total Expenses</b>
Grants	\$ 296,587,694	\$ —	\$ —	\$ 296,587,694
Salary, benefits and payroll taxes	10,333,721	—	10,857,466	21,191,187
Legal fees	233,731	—	234,178	467,909
Accounting fees	—	—	363,078	363,078
Other professional fees	1,252,155	3,675,349	1,642,574	6,570,078
Depreciation	—	—	2,167,438	2,167,438
Occupancy	577,400	—	524,101	1,101,501
Travel, conferences and meetings	1,553,985	18,424	622,857	2,195,266
Printing and publications	38,283	60	67,663	106,006
Other expenses	298,459	—	733,343	1,031,802
Total as of December 31, 2019	<u>\$ 310,875,428</u>	<u>\$ 3,693,833</u>	<u>\$ 17,212,698</u>	<u>\$ 331,781,959</u>

## Gordon E. and Betty I. Moore Foundation

### Notes to Consolidated Financial Statements (continued)

#### 13. Liquidity

The Foundation's financial assets available within one year of December 31, 2020, to meet general expenditures include:

Cash and cash equivalents	\$ 132,407,561
Cash from investments	6,165,713
Dividends and interest receivable	148,940
Investment redemptions receivable	260,869,354
Public equities	1,807,584,462
Fixed income	776,878,137
Hedge funds	1,146,283,479
Total financial assets	<u>\$ 4,130,337,646</u>

The Foundation endeavors to structure its financial assets to be available and liquid as its general expenditures, liabilities, and other obligations become due. In addition to the available financial assets listed above, the Foundation has remaining line of credit agreement of \$50 million, which can be drawn upon in the event of immediate liquidity needs.

#### 14. 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 on that basis expects the risk of loss to be remote.

#### 15. Subsequent Events

The Foundation has evaluated subsequent events through August 6, 2021, which represents the date the consolidated financial statements are available to be issued.

# Supplementary Information



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## Report of Independent Auditors on Supplementary Information

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

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplementary information on pages 21 to 27 is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

*Ernst + Young LLP*

August 6, 2021

Gordon E. and Betty I. Moore Foundation

Schedule of Conditional Grants Committed

December 31, 2020

<b>Grantees</b>	<b>Remaining Commitment</b>
Agencia Estatal Del Consejo Superior de Investigaciones Cientificas, Centro Andaluz de Biología del Desarrollo	\$ 281,250
Aleut Community of St. Paul Island	273,988
American Saltwater Guides Association	100,000
Arizona State University Foundation	243,429
Arizona State University, Office for Research and Sponsored Projects Administration	349,899
Barcelona Supercomputing Center, Project Management Office	164,288
Bates College, Office of Sponsored Programs and Research Compliance	200,000
Bering Sea Fishermen’s Association	412,895
Berkeley Lab Foundation	300,000
Biology Centre CAS, Institute of Parasitology	299,999
BSCS Science Learning	419,530
California Academy of Sciences	461,578
California Council on Science and Technology	2,250,000
California Institute of Technology	19,250,000
California Institute of Technology, Division of Engineering and Applied Science	150,000
California Institute of Technology, Division of Geology and Planetary Sciences	200,000
California Institute of Technology, Division of Physics, Mathematics and Astronomy	1,350,172
California Institute of Technology, Office of Foundation Relations	498,667
Cape Cod Commercial Fishermen’s Alliance	281,327
Carnegie Institution for Science, Department of Embryology	1,501,351
Center for American Progress	200,000
Centre National de la Recherche Scientifique, Service Partenariat et Valorisation	500,000
Charles University, Faculty of Science	353,438
China Dialogue Trust	679,385
Clark University, Clark Labs	1,455,534
Climate Policy Initiative	528,000
ClimateWorks	200,000
Coastal First Nations – Great Bear Initiative	700,000
Columbia University, Department of Physics	1,426,210
Columbia University, Lamont-Doherty Earth Observatory	1,573,500



Gordon E. and Betty I. Moore Foundation

Schedule of Conditional Grants Committed (continued)

<b>Grantees</b>	<b>Remaining Commitment</b>
Community Initiatives	\$ 199,937
Conservation International	6,150,000
Conservation Law Foundation	200,000
Conservation X Labs	1,189,800
Cornell University, Department of Materials Science and Engineering	680,000
Cornell University, Laboratory of Atomic and Solid State Physics	936,340
Dalhousie University, Financial Services	386,260
Duke University, Pratt School of Engineering	225,000
Ecotrust Canada	400,000
Edinburgh Napier University, Research and Innovation Office	200,000
Environment America Research & Policy Center	130,000
Environment Funders Canada	700,000
Environmental Justice Foundation	900,000
ETH Zurich Foundation	2,373,944
Field Museum	551,106
Fondo de Promoción de las Áreas Naturales Protegidas del Perú	50,000
Friends of the Earth	350,000
Fundación Natura	35,000
Greater Washington Educational Telecommunications Association	500,000
Grupo de Analisis para el Desarrollo	255,000
Harvard University, Belfer Center for Science and International Affairs	200,063
Harvard University, Department of Organismic and Evolutionary Biology	1,753,037
Harvard University, Department of Physics	2,343,101
Harvard University, Office of Sponsored Programs	281,661
Harvard University, Petrie-Flom Center for Health Law Policy, Biotechnology, and Bioethics at Harvard Law School	200,000
Heinrich Heine University Düsseldorf, Research Management and Transfer Department	962,933
Hopewell Fund	200,000
ICFO – The Institute of Photonic Sciences	165,125
Imperial College London, Department of Physics	189,289
Institute for Complex Adaptive Matter	670,529
Instituto Internacional de Educação do Brasil	300,000
Instituto Socioambiental	835,601
International Work Group for Indigenous Affairs	100,000
Inuit Circumpolar Council Foundation	103,444

Gordon E. and Betty I. Moore Foundation

Schedule of Conditional Grants Committed (continued)

<b>Grantees</b>	<b>Remaining Commitment</b>
Johns Hopkins University, Department of Physics and Astronomy	\$ 2,011,220
Johns Hopkins University, Institute for Data Intensive Engineering and Science	375,000
Kaiser Foundation Hospitals, Kaiser Foundation Research Institute	148,847
Kawerak	516,846
Laboratory for Research in Complex Systems	199,971
Leiden University, Faculty of Science, Institute of Biology	600,000
Macquarie University, Office of Advancement	549,000
Maine Coast Fishermen's Association	300,000
MakeWay Charitable Society	300,724
MakeWay Foundation	1,971,200
Marine Biological Laboratory	499,995
Massachusetts General Hospital	73,669
Massachusetts Institute of Technology, Department of Physics	2,983,529
McGill University, McGill Space Institute, Faculty of Science	623,098
Multiplier	238,462
National Academy of Sciences	369,973
National Academy of Sciences, National Academy of Medicine	1,031,871
Nature Canada	200,000
New Venture Fund	406,107
New York University, Office of Sponsored Programs	300,000
Northeastern University, Research Enterprise Services	199,750
NumFOCUS	362,000
Ocean Conservancy	8,644,294
Oceana Canada	1,250,000
Oceans North	1,750,000
Pacific Environment	1,057,623
Pennsylvania State University, Office of Sponsored Programs	569,951
Princeton University, Department of Chemistry	1,360,000
Princeton University, Department of Electrical Engineering	655,400
Princeton University, Department of Molecular Biology	1,513,789
Princeton University, Department of Physics	3,841,560
Public Laboratory for Open Technology and Science	463,697
Purdue University, Sponsored Program Services	450,000
Rainforest Expeditions	100,000
Rare	833,580

Gordon E. and Betty I. Moore Foundation

Schedule of Conditional Grants Committed (continued)

<b>Grantees</b>	<b>Remaining Commitment</b>
Reed College, Dean of Faculty Office	\$ 344,588
Rensselaer Polytechnic Institute, Darrin Fresh Water Institute	199,216
Research Foundation of State University of New York	450,000
Resources Legacy Fund	375,000
Rice University, Department of Physics and Astronomy	763,810
Royal Netherlands Institute for Sea Research	199,981
Rutgers University, Department of Physics and Astronomy	1,273,210
San Diego State University Research Foundation	1,824,429
Science Friday Initiative	275,025
Seas at Risk	150,480
Seminario Permanente de Investigacion Agraria	86,000
Silicon Valley Community Foundation	323,950
SLAC National Accelerator Laboratory	437,681
Society to Improve Diagnosis in Medicine	521,000
Stand	700,000
Stanford University, Department of Applied Physics	5,979,939
Stanford University, Department of Bioengineering	300,000
Stanford University, Department of Electrical Engineering	225,000
Stanford University, Department of Genetics	345,829
Stanford University, Department of Physics	4,641,546
Stanford University, Geballe Laboratory for Advanced Materials	992,940
Stanford University, Natural Capital Project	934,495
Stanford University, Office of Sponsored Research	300,000
Stanford University, School of Medicine	400,000
STEM Next Opportunity Fund	500,000
The Hebrew University of Jerusalem, Authority for Research and Development	300,000
The Leapfrog Group	637,774
The Nature Conservancy	725,000
The Trust for Public Land	438,700
Transparencia Internacional Brasil	270,000
Transparencia por Colombia	16,750
Université Paris-Saclay, Unité Écologie, Systématique et Évolution	277,933
University College London, Department of Physics and Astronomy	666,095
University of Arizona, Lunar & Planetary Laboratory	800,000
University of Bristol, School of Biological Sciences	270,861

Gordon E. and Betty I. Moore Foundation

Schedule of Conditional Grants Committed (continued)

<b>Grantees</b>	<b>Remaining Commitment</b>
University of British Columbia, Department of Botany	\$ 1,529,590
University of California	14,250,000
University of California, Berkeley California Institute for Quantitative Biosciences	1,721,090
University of California, Berkeley Department of Earth and Planetary Science	550,000
University of California, Berkeley Department of Physics	4,691,695
University of California, Berkeley Department of Plant and Microbial Biology	225,000
University of California, Berkeley Institute for Data Science	855,000
University of California, Berkeley Sponsored Projects Office	650,000
University of California, Davis Health System	22,583,463
University of California, Davis Office of Research Sponsored Programs	200,000
University of California, Irvine Department of Biomedical Engineering	225,000
University of California, Los Angeles Department of Electrical Engineering	800,000
University of California, Los Angeles Department of Physics and Astronomy	1,439,853
University of California, Los Angeles Office of Contract and Grant Administration	268,838
University of California, San Diego Department of Chemistry and Biochemistry	410,104
University of California, San Diego Department of Physics	523,303
University of California, San Diego Office of Contract and Grant Administration	650,000
University of California, San Francisco Office of Sponsored Research	300,000
University of California, Santa Barbara Department of Physics	1,138,610
University of California, Santa Barbara Kavli Institute for Theoretical Physics	1,426,666
University of California, Santa Cruz, Office of Sponsored Projects	530,196
University of Cambridge, Department of Biochemistry	1,462,375
University of Central Florida, Office of Research	2,500,000
University of Chicago, Booth School of Business	250,000
University of Chicago, Department of Medicine	450,000
University of Chicago, Department of Radiology	552,776
University of Colorado at Boulder, Department of Physics	1,701,610
University of Connecticut, Sponsored Program Services	300,000
University of Copenhagen, Department of Biology	1,695,375
University of Florida, Department of Microbiology and Cell Science	300,000
University of Georgia, Department of Marine Sciences	200,000
University of Hawai'i, Institute for Astronomy	367,048

Gordon E. and Betty I. Moore Foundation

Schedule of Conditional Grants Committed (continued)

<b>Grantees</b>	<b>Remaining Commitment</b>
University of Hawai'i, Office of Research Services	\$ 200,000
University of Illinois at Urbana-Champaign, Carl R. Woese Institute for Genomic Biology	1,539,032
University of Illinois at Urbana-Champaign, Department of Chemistry	800,000
University of Illinois at Urbana-Champaign, Department of Physics	2,199,020
University of Illinois at Urbana-Champaign, Department of Physics and Institute for Condensed Matter Theory	565,596
University of Konstanz, Division of Financial Affairs	193,063
University of Konstanz, Limnological Institute, Department of Biology	1,447,000
University of Liverpool, Research Support Office	200,000
University of Maryland, Department of Physics	567,722
University of Massachusetts Amherst, Sponsored Research Office	550,000
University of Melbourne, Research Grants	233,440
University of Michigan, Department of Ecology and Evolutionary Biology	1,580,336
University of New South Wales, Division of Philanthropy	200,000
University of Nottingham, School of Biosciences	200,000
University of Oregon, Eugene, Institute of Neuroscience	1,673,819
University of Oregon, Sponsored Projects Services	400,000
University of Oxford, Research Services	198,750
University of Pennsylvania, Department of Mechanical Engineering and Applied Mechanics	450,000
University of Pennsylvania, Department of Physics and Astronomy	135,571
University of Queensland, Office of Sponsored Research	830,747
University of St Andrews, School of Biology	279,971
University of Tennessee, Department of Materials Science and Engineering	680,000
University of Toronto, Research Services	300,000
University of Warwick, School of Life Sciences	1,543,122
University of Washington, Human Centered Design and Engineering Department	400,000
University of Washington, Office of Sponsored Programs	351,989
University of Wisconsin-Madison, Research and Sponsored Programs	680,000
Virginia Tech, Office of Sponsored Programs	200,000
Wellcome Sanger Institute	1,311,713
Wildlife Conservation Society	1,746,842
Windward Fund	95,000
Woods Hole Oceanographic Institution	624,999

Gordon E. and Betty I. Moore Foundation

Schedule of Conditional Grants Committed (continued)

<b>Grantees</b>	<b>Remaining Commitment</b>
Woodwell Climate Research Center	\$ 1,449,613
World Economic Forum	2,425,000
World Resources Institute	1,381,815
World Wildlife Fund	2,050,000
World Wildlife Fund Canada	500,000
Yale University, Department of Chemistry	705,000
Yale University, Department of Mechanical Engineering and Materials Science	680,000
Yale University, Department of Physics	780,370
York University, Office of Research Services	216,000
Grand total	<u>\$ 222,333,120</u>

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