### FINANCIAL STATEMENTS

Gordon E. and Betty I. Moore Foundation Years Ended December 31, 2024 and 2023 With Report of Independent Auditors



## **Financial Statements**

Years Ended December 31, 2024 and 2023

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## Report of Independent Auditors

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

#### **Opinion**

We have audited the financial statements of Gordon E. and Betty I. Moore Foundation (the "Foundation"), which comprise the statements of financial position as of December 31, 2024 and 2023, and the related statements of activities and changes in net assets and cash flows for the years then ended, and the related notes (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Foundation at December 31, 2024 and 2023, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

#### **Basis for Opinion**

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

#### Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Foundation's ability to continue as a going concern for one year after the date that the financial statements are available to be issued.



#### **Auditor's Responsibility for the Audit of the Financial Statements**

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

In performing an audit in accordance with GAAS, we:

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

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

Ernst + Young LLP

## Statements of Financial Position

	December 31			
	20	24		2023
Assets				
Cash and cash equivalents	<b>\$ 124</b>	,874,961	\$	55,157,037
Dividends and interest receivable	1	,527,389		665,101
Investments, at fair value	11,179	,040,932		8,381,816,819
Pending investments	50	,000,000		31,944,188
Investment redemptions receivable	100	,380,496		228,186,692
Program related investments	19	,688,700		23,727,100
Property and equipment, net	29	,387,865		30,840,604
Operating lease right-of-use assets	9	,969,223		10,878,862
Prepaid federal excise tax	6	,771,155		1,968,683
Prepaid expenses and other assets	1	,053,514		1,073,719
Total assets	<b>\$ 11,522</b>	,694,235	\$	8,766,258,805
Liabilities and net assets Liabilities:				
Accounts payable and accrued liabilities	\$ 13	,250,895	\$	12,660,930
Grants payable	7	,514,688		11,177,452
Operating lease liabilities	10	,061,255		10,970,641
Deferred federal excise tax	49	,990,438		42,039,830
Total liabilities	80	,817,276		76,848,853
Net assets, without donor restrictions	11,441	,876,959		8,689,409,952
Total liabilities and net assets	\$ 11,522	,694,235	\$	8,766,258,805

See accompanying notes.

# Statements of Activities and Changes in Net Assets

	Year Ended December 31			
		2024		2023
Revenues				
Net investment income	\$	957,312,281	\$	934,823,113
Tax expense on investment income		31,820,556		13,951,270
Investment return, net		925,491,725		920,871,843
Contributions				
Contribution of financial assets		2,232,182,763		_
In-kind contribution of non-financial assets		27,000,000		_
Total contributions		2,259,182,763		_
Total investment return, net and contributions		3,184,674,488		920,871,843
Expenses				
Grants		391,128,264		408,113,771
Supporting		38,236,882		37,888,774
Direct charitable		2,842,335		7,069,872
Total expenses		432,207,481		453,072,417
Change in net assets without donor restrictions		2,752,467,007		467,799,426
Net assets, beginning of year		8,689,409,952		8,221,610,526
Net assets, end of year	<b>\$</b> 1	11,441,876,959	\$	8,689,409,952

See accompanying notes.

## Statements of Cash Flows

	Year Ended December 31 2024 2023			
Cash flows from operating activities				
Interest, dividends, and partnership distributions received	\$	208,074,639	\$	168,197,921
Tax payments		(28,672,420)		(6,627,121)
Proceeds from sales of in-kind contributed financial assets		380,296,872		_
Contributions		7,379,087		_
Cash paid to investment managers, suppliers, and employees		(57,393,312)		(58, 255, 042)
Grants paid		(394,791,028)		(398,348,194)
Net cash provided by (used in) operating activities		114,893,838		(295,032,436)
Cash flows from investing activities				
Program-related investments		(10,550,000)		(18,892,100)
Repayment of program-related investments		14,588,400		10,467,500
Purchases of investments		(799,031,942)		(740,848,960)
Proceeds from sale of investments		750,581,164		1,050,930,548
Purchases of property and equipment		(763,536)		(314,254)
Net cash (used in) provided by investing activities		(45,175,914)		301,342,734
Change in cash and cash equivalents		69,717,924		6,310,298
Cash and cash equivalents, beginning of year		55,157,037		48,846,739
Cash and cash equivalents, end of year		124,874,961		55,157,037
Change in net assets without donor restrictions Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		2,752,467,007		467,799,426
In-kind contributions received		(1,882,362,719)		_
Depreciation and amortization		2,216,275		2,211,491
Deferred federal excise tax		7,950,608		8,084,612
Net realized and unrealized gain on investments		(756,660,232)		(784,921,715)
Changes in operating assets and liabilities:		(750,000,252)		(704,721,713)
Dividends and interest receivable		(862,288)		(257,552)
Prepaid expenses and other assets		20,205		203,520
Accounts payable and accrued liabilities		589,965		2,828,276
Grants payable		(3,662,764)		9,765,577
Prepaid federal excise tax		(4,802,472)		(760,463)
Lease liabilities, net of right-of-use assets		253		14,392
Net cash provided by (used in) operating activities	\$	114,893,838	\$	(295,032,436)
Supplemental data for non-cash activities				
Investment redemptions receivable	\$	100,380,496	\$	228,186,692
Reconciliation to statements of activities and changes in net assets Realized gains on sale of in-kind contributed financial assets	\$	(10,855,915)	\$	_
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See accompanying notes.

#### Notes to Financial Statements

December 31, 2024

#### 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, and preservation of the special character of the Bay Area. Visit Moore.org or follow @MooreFound.

### 2. Summary of Significant Accounting Policies

#### **Basis of Financial Presentation**

The 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.

Notes to 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 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.

Notes to 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 16 years.

#### Grants

Grants are recognized as expenses when the unconditional promise to give is approved. Conditional promises to give are recognized as grant expenses in the period in which the recipient meets the terms of the conditions.

#### **Expense Allocations**

Investment expenses include internal expenses, such as compensation and occupancy costs for the Foundation's investment staff and 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 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 redemptions receivable, 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.

#### **Tax-Exempt Status**

The Foundation is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and from California franchise and/or income taxes under Section 23701(d) of the

Notes to Financial Statements (continued)

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

California Revenue and Taxation Code. The Foundation is classified as a private foundation under Section 509(a) of the Code and is subject to federal excise taxes and taxes on unrelated business income.

#### **Use of Estimates**

The preparation of financial statements in conformity with U.S. GAAP 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.

#### 3. Contributions

In 2024, the Foundation received a generous gift of \$2,259 million from the estate of Gordon and Betty Moore. The gift is recorded based on the fair value on the date of receipt and that value may differ from the value reflected on the estate's books and records. There are no donor-imposed restrictions associated with the contributions. The gift includes the following non-financial asset reflected within the statement of activities.

Category of contribution	2024
Real Estate	\$27 million

The in-kind contribution is recognized in the period received. The asset is valued based on appraisal from third-party valuation specialists using comparable market data and classified as part of Level 3 in the fair value hierarchy.

#### 4. 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.

Notes to Financial Statements (continued)

#### 4. Investments (continued)

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.

At December 31, 2024 and 2023, approximately 75% and 84% 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.

#### 5. 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, 2024 and 2023.
- 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.

Notes to Financial Statements (continued)

#### **5. Fair Value (continued)**

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 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.

The investments carried on the statements of financial position by level within the fair value hierarchy as of December 31, 2024, were as follows:

	Level 1	Level 2	Level 3	NAV	Total
Assets					
Public equities	\$ 1,561,794,159	\$ _	\$ - \$	1,884,649,242	\$ 3,446,443,401
Fixed income	68,893,229	_	_	1,033,854,838	1,102,748,067
Hedge funds	_	_	_	2,083,448,729	2,083,448,729
Excess returns	_	_	_	3,128,375,330	3,128,375,330
Real assets	_	_	38,856,088*	1,365,770,862	1,404,626,950
Cash and cash equivalents	13,398,455	_	_	_	13,398,455
Total as of December 31, 2024	\$ 1,644,085,843	\$ _	\$ 38,856,088* \$	9,496,099,001	\$ 11,179,040,932

<sup>\*</sup> Level 3 investments were valued based on appraisals from third-party valuation specialists using comparable market data and include the inkind contribution to the Foundation in the current year. (see note 3)

The investments carried on the statements of financial position by level within the fair value hierarchy as of December 31, 2023, were as follows:

	 Level 1	Level 2	Level 3		NAV	Total
Assets						
Public equities	\$ 285,398,161	\$ _	\$ -	- \$	1,620,897,262	\$ 1,906,295,423
Fixed income	_	_	-	_	913,913,851	913,913,851
Hedge funds	_	_	-	_	1,830,435,167	1,830,435,167
Excess returns	_	_	-	_	2,448,819,064	2,448,819,064
Real assets	_	_	-	_	1,270,089,871	1,270,089,871
Cash and cash equivalents	12,263,443	_	-	_	_	12,263,443
Total as of December 31, 2023	\$ 297,661,604	\$ _	\$ -	- \$	8,084,155,215	\$ 8,381,816,819

There were no transfers between levels of the fair value hierarchy for the year ended December 31, 2024 and 2023.

As of December 31, 2024, and 2023, the Foundation is committed to making additional investments of approximately \$948 million and \$960 million, respectively, in future years.

Notes to Financial Statements (continued)

## **5. Fair Value (continued)**

The following table lists investments in investment funds as of December 31, 2024 that have been valued using the NAV as a practical expedient, classified by major investment category:

Assets	Investment Strategy	Fair Value	Life of Funds (Years)	Unfunded Commitments	Redemption Terms	Redemption Restrictions
Public equities	Global, primarily long-only equities	\$ 1,884,649,242	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	2,083,448,729	0–12	9,825,000	Ranges from quarterly to three 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 three years for certain funds with two funds completely illiquid
Excess returns	Private equity and venture capital	3,128,375,330	0–18	457,854,182	Generally not eligible for redemption. Certain funds have semi-annual redemption rights with notice between 45-120 days	Funds are primarily illiquid except for certain funds with lock up provisions of four years
Real assets	Real estate and natural resources	1,365,770,862	0–15	480,124,975	Not eligible for redemption except for one fund with annual redemption rights with 60 days' notice	Not eligible for redemption except for one fund
Fixed income	U.S. Treasury Index Fund invested in securities of various durations	1,033,854,838 \$ 9,496,099,001	_ - =	\$ 947,804,157	Daily redemption with two days' notice	None

Notes to Financial Statements (continued)

## **5. Fair Value (continued)**

The following table lists investments in investment funds as of December 31, 2023 that have been valued using the NAV as a practical expedient, classified by major investment category:

Assets	Investment Strategy	Fair Value	Life of Funds (Years)	Unfunded Commitments	Redemption Terms	Redemption Restrictions
Public equities	Global, primarily long-only equities	\$ 1,620,897,262	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	1,830,435,167	0–12	15,327,000	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	2,448,819,064	0–18	485,975,797	Generally not eligible for redemption. Certain funds have semi-annual redemption rights with 90 days' notice	Funds are primarily illiquid except for certain funds with lock up provisions of four years
Real assets	Real estate and natural resources	1,270,089,871	0–15	458,951,175	Not eligible for redemption except for one fund with annual redemption rights with 60 days' notice	Not eligible for redemption except for one fund
Fixed income	U.S. Treasury Index Fund invested in securities of various durations	913,913,851 \$ 8,084,155,215	- -	\$ 960,253,972	Daily redemption with two days' notice	None

Notes to Financial Statements (continued)

#### 6. 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 are expected to be repaid over one to nine years, and bear interest at the rate of 0.0% to 2%. These loans are recorded on the statements of financial position at their principal amount, which approximates their fair value.

### 7. Property and Equipment

Property and equipment consisted of the following:

	December 31
	2024 2023
Buildings	<b>\$ 33,803,007 \$</b> 33,803,007
Leasehold improvements	<b>20,592,819</b> 20,093,075
Furniture, fixtures, and equipment	<b>5,316,853</b> 5,832,548
	<b>59,712,679</b> 59,728,630
Less accumulated depreciation and amortization	<b>(30,324,814)</b> (28,888,026)
Property and equipment, net	<b>\$ 29,387,865</b> \$ 30,840,604

#### 8. Credit Facilities

The Foundation maintains a \$150 million uncommitted line of credit (the Line) to provide short-term working capital needs of the Foundation. At December 31, 2024 and 2023, the Line carries interest rate options of either Prime or Secured Overnight Financing Rate (SOFR), as defined within the Line's Master Note. There were no outstanding principal balances at December 31, 2024 and 2023.

#### 9. Federal Excise and Unrelated Business Income Tax

In accordance with Section 4940(a) of the Internal Revenue Code, the Foundation is subject to a federal excise tax of 1.39% on net investment income for the years ended December 31, 2024 and 2023. The deferred excise tax provision is calculated based on the same 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.

Notes to Financial Statements (continued)

### 9. Federal Excise and Unrelated Business Income Tax (continued)

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

	Year Ended December 31				
	 2024		2023		
Current federal excise tax Deferred federal excise tax Unrelated business income tax	\$ 5,671,750 7,950,608 18,198,198	\$	3,726,167 8,084,612 2,140,491		
	\$ 31,820,556	\$	13,951,270		

The Foundation believes it has appropriate support for the excise and other tax positions taken and, as such, does not have any uncertain tax positions that result in a material impact on the Foundation's financial position or change in total net assets.

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

#### 11. 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 2024 and 2023 were approximately \$2.0 million for each year, and are included in net investment income and supporting expenses on the statements of activities and changes in net assets.

Notes to Financial Statements (continued)

#### 12. Commitments

#### (a) Grants

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

	_ <u>U</u>	Unconditional		Conditional
Year ending December 31:				
2025	\$	7,514,688	\$	100,327,146
2026		_		45,517,264
2027		_		11,549,722
2028		_		6,146,519
	\$	7,514,688	\$	163,540,651

Unconditional promises were recognized as grant expenses in the period they were approved. Conditional promises to give will be recognized as grant expenses when the defined barriers are overcome.

#### (b) Lease

The Foundation leases office space in San Francisco and Palo Alto under long-term, non-cancelable lease agreements which expire at various dates through 2040. The leases include payments for common area maintenance, utilities, taxes and insurance that are considered variable lease payments and are excluded from determining the lease liabilities and right-of-use assets. In addition, the Palo Alto lease has additional rent amounts which may become due based upon gross income from subleasing activities or appraised value of the property. These amounts are also considered variable rent and excluded from determining the lease liabilities and right-of-use assets.

The components of lease expense for the year ended December 31, 2024 and 2023 were as follows:

	 2024	2023		
Operating lease cost	\$ 1,113,742	\$ , ,		
Variable lease cost	 547,451	587,601		
Total leasing expense	\$ 1,661,193	\$ 1,701,343		

Notes to Financial Statements (continued)

## 12. Commitments (continued)

Supplemental cash flow and other information related to operating leases as of December 31, 2024 and 2023 were as follows:

	2024	2023
Cash paid for amounts included in the measurement of		
lease liabilities:		
Operating cash flows from operating leases	\$ 1,113,489	\$ 1,099,350
Weighted-average remaining lease term in years	13.9	14.5
Weighted-average discount rate	2.0%	1.9%

Future minimum payments required under operating leases, at December 31, 2024 are as follows:

Year ending December 31:	
2025	\$ 1,128,025
2026	1,143,001
2027	1,158,405
2028	673,277
2029	629,057
2030 and thereafter	6,814,787_
Total lease payments	11,546,552
Less present value discount	(1,485,297)
Total operating lease liabilities	\$ 10,061,255

Notes to Financial Statements (continued)

### 13. 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, 2024 and 2023, were as follows:

		Direct	Operational	<b>2024 Total</b>
	Grantmaking	Charitable	Support	Expenses
Grants	\$ 391,128,264	\$ -	\$ -	\$ 391,128,264
Salary, benefits and payroll taxes	11,305,350	_	15,171,624	26,476,974
Legal fees	53,240	10,443	469,666	533,349
Accounting fees	_	_	388,990	388,990
Other professional fees	1,223,300	2,310,171	1,889,835	5,423,306
Depreciation	1,042,535	_	1,155,529	2,198,064
Occupancy	877,269	_	972,351	1,849,620
Travel, conferences and meetings	1,094,817	521,721	691,177	2,307,715
Printing and publications	25,860	_	67,519	93,379
Other expenses	628,761	_	1,179,059	1,807,820
Total as of December 31, 2024	\$ 407,379,396	\$ 2,842,335	\$ 21,985,750	\$ 432,207,481

		Direct	(	Operational	2023 Total
	Grantmaking	Charitable		Support	Expenses
Grants	\$ 408,113,771	\$ _	\$	_	\$ 408,113,771
Salary, benefits and payroll taxes	12,199,207	_		14,296,148	26,495,355
Legal fees	107,251	1,295		83,161	191,707
Accounting fees	_	_		381,927	381,927
Other professional fees	1,637,646	6,355,748		1,768,827	9,762,221
Depreciation	1,107,736	_		1,076,326	2,184,062
Occupancy	788,098	_		765,751	1,553,849
Travel, conferences and meetings	1,396,418	474,467		680,537	2,551,422
Printing and publications	23,757	238,362		52,261	314,380
Other expenses	540,954	_		982,769	1,523,723
Total as of December 31, 2023	\$ 425,914,838	\$ 7,069,872	\$	20,087,707	\$ 453,072,417

Notes to Financial Statements (continued)

#### 14. Liquidity

The Foundation's financial assets available to meet general expenditures within one year of December 31, 2024 and 2023, include:

	2024	2023			
Cash and cash equivalents	\$ 124,874,961	\$ 55,157,037			
Other financial assets	5,793,886,348	3,999,717,440			
Available financial assets	\$ 5,918,761,309	\$ 4,054,874,477			

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 credit facilities in place (see note 8), which can be drawn upon in the event of immediate liquidity needs.

#### 15. 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, except for 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, carries insurance to cover any future claims or losses, and therefore expects the risk of loss to be remote.

#### 16. Subsequent Events

The Foundation has evaluated subsequent events through August 22, 2025, which represents the date the financial statements are available to be issued.

In September 2024, the Foundation became the residuary beneficiary entitled to certain tangible and other assets from the estate of Gordon and Betty Moore. Management anticipates that it may take several years for the estate to be settled and for remaining assets to be distributed to the Foundation. As of the subsequent events date, the value of the remaining distributions to the Foundation is unknown.

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