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Form **990-PF**

Department of the Treasury
Internal Revenue Service

Return of Private Foundation

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

Note: *The foundation may be able to use a copy of this return to satisfy state reporting requirements*

OMB No 1545-0052

2008

For calendar year 2008 , or tax year beginning 10-01-2008 and ending 09-30-2009

G Check all that apply ☐ Initial return ☐ Final return ☐ Amended return ☐ Address change ☐ Name change

Use the IRS label. Otherwise, print or type. See Specific Instructions.

Name of foundation
MOODY GARDENS INC

Number and street (or P O box number if mail is not delivered to street address) | Room/suite
ONE HOPE BOULEVARD

City or town, state, and ZIP code
GALVESTON, TX 77554

A Employer identification number
76-0288131

B Telephone number (see the instructions)
(409) 744-4673

C If exemption application is pending, check here ☐

D 1. Foreign organizations, check here ☐

2. Foreign organizations meeting the 85% test, check here and attach computation ☐

E If private foundation status was terminated under section 507(b)(1)(A), check here ☐

F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here ☐

H Check type of organization ☑ Section 501(c)(3) exempt private foundation
☐ Section 4947(a)(1) nonexempt charitable trust ☐ Other taxable private foundation

I Fair market value of all assets at end of year *(from Part II, col. (c), line 16)* ▶$ 50,623,253

J Accounting method ☐ Cash ☑ Accrual
☐ Other (specify) _
(Part I, column (d) must be on cash basis.)

Part I **Analysis of Revenue and Expenses** *(The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a) (see the instructions))*

	Line	Description	(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
Revenue	1	Contributions, gifts, grants, etc , received (attach schedule)	57,735,114			
	2	Check ▶ ☐ if the foundation is **not** required to attach Sch B				
	3	Interest on savings and temporary cash investments	127,594	127,594	127,594	
	4	Dividends and interest from securities	38,792	38,792	38,792	
	5a	Gross rents				
	b	Net rental income or (loss)				
	6a	Net gain or (loss) from sale of assets not on line 10	-35,272			
	b	Gross sales price for all assets on line 6a 300,916				
	7	Capital gain net income (from Part IV, line 2)				
	8	Net short-term capital gain				
	9	Income modifications				
	10a	Gross sales less returns and allowances 36,131,702				
	b	Less Cost of goods sold 2,929,777				
	c	Gross profit or (loss) (attach schedule)	33,201,925			
	11	Other income (attach schedule)				
	12	**Total.** Add lines 1 through 11	91,068,153	166,386	166,386	
Operating and Administrative Expenses	13	Compensation of officers, directors, trustees, etc	283,680		283,680	
	14	Other employee salaries and wages	8,067,593		8,067,593	
	15	Pension plans, employee benefits	191,321		191,321	
	16a	Legal fees (attach schedule)	75,041	0	75,041	0
	b	Accounting fees (attach schedule)	129,074	0	129,074	0
	c	Other professional fees (attach schedule)	32,233	9,825	22,408	
	17	Interest	547,353		547,353	
	18	Taxes (attach schedule) (see the instructions)	951,639		951,639	
	19	Depreciation (attach schedule) and depletion				
	20	Occupancy				
	21	Travel, conferences, and meetings				
	22	Printing and publications				
	23	Other expenses (attach schedule)	27,209,137		27,209,137	
	24	**Total operating and administrative expenses.** Add lines 13 through 23	37,487,071	9,825	37,477,246	0
	25	Contributions, gifts, grants paid	19,366,695			19,366,695
	26	**Total expenses and disbursements.** Add lines 24 and 25	56,853,766	9,825	37,477,246	19,366,695
	27	Subtract line 26 from line 12				
	a	**Excess of revenue over expenses and disbursements**	34,214,387			
	b	**Net investment income** (if negative, enter -0-)		156,561		
	c	**Adjusted net income** (if negative, enter -0-)				

Part II **Balance Sheets** Attached schedules and amounts in the description column should be for end-of-year amounts only (See instructions)

			Beginning of year (a) Book Value	End of year (b) Book Value	(c) Fair Market Value
Assets	1	Cash—non-interest-bearing	239,318	1,170,159	1,170,159
	2	Savings and temporary cash investments	6,493,496	7,526,096	7,526,096
	3	Accounts receivable ▶ 319,292			
		Less allowance for doubtful accounts ▶	2,207,499	319,292	319,292
	4	Pledges receivable ▶			
		Less allowance for doubtful accounts ▶			
	5	Grants receivable	8,305,831	37,595,840	37,595,840
	6	Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see the instructions)			
	7	Other notes and loans receivable (attach schedule) ▶			
		Less allowance for doubtful accounts ▶			
	8	Inventories for sale or use			
	9	Prepaid expenses and deferred charges	2,043,458	2,298,921	2,298,921
	10a	Investments—U S and state government obligations (attach schedule)			
	b	Investments—corporate stock (attach schedule)			
	c	Investments—corporate bonds (attach schedule)			
	11	Investments—land, buildings, and equipment basis ▶			
		Less accumulated depreciation (attach schedule) ▶			
	12	Investments—mortgage loans			
	13	Investments—other (attach schedule)	1,022,605	1,058,483	1,058,483
	14	Land, buildings, and equipment basis ▶			
		Less accumulated depreciation (attach schedule) ▶			
	15	Other assets (describe ▶)	668,428	654,462	654,462
	16	**Total assets** (to be completed by all filers—see the instructions Also, see page 1, item I)	20,980,635	50,623,253	50,623,253
Liabilities	17	Accounts payable and accrued expenses	6,242,504	12,199,010	
	18	Grants payable	375,000	0	
	19	Deferred revenue	295,639	331,192	
	20	Loans from officers, directors, trustees, and other disqualified persons			
	21	Mortgages and other notes payable (attach schedule)	11,699,995	1,466,499	
	22	Other liabilities (describe ▶)			
	23	**Total liabilities** (add lines 17 through 22)	18,613,138	13,996,701	
Net Assets or Fund Balances		**Foundations that follow SFAS 117, check here** ▶ ☑ **and complete lines 24 through 26 and lines 30 and 31.**			
	24	Unrestricted	-9,322,184	-3,083,081	
	25	Temporarily restricted	10,763,910	38,783,862	
	26	Permanently restricted	925,771	925,771	
		Foundations that do not follow SFAS 117, check here ▶ ☐ **and complete lines 27 through 31.**			
	27	Capital stock, trust principal, or current funds			
	28	Paid-in or capital surplus, or land, bldg , and equipment fund			
	29	Retained earnings, accumulated income, endowment, or other funds			
	30	**Total net assets or fund balances** (see the instructions)	2,367,497	36,626,552	
	31	**Total liabilities and net assets/fund balances** (see the instructions)	20,980,635	50,623,253	

Part III **Analysis of Changes in Net Assets or Fund Balances**

1	Total net assets or fund balances at beginning of year—Part II, column (a), line 30 (must agree with end-of-year figure reported on prior year's return)	1	2,367,497
2	Enter amount from Part I, line 27a	2	34,214,387
3	Other increases not included in line 2 (itemize) ▶	3	44,668
4	Add lines 1, 2, and 3	4	36,626,552
5	Decreases not included in line 2 (itemize) ▶	5	
6	Total net assets or fund balances at end of year (line 4 minus line 5)—Part II, column (b), line 30	6	36,626,552

Part IV Capital Gains and Losses for Tax on Investment Income

	(a) List and describe the kind(s) of property sold (e g , real estate, 2-story brick warehouse, or common stock, 200 shs MLC Co)	(b) How acquired P—Purchase D—Donation	(c) Date acquired (mo , day, yr)	(d) Date sold (mo , day, yr)
1 a	JANET JORDAN THERAPY FUND - SEE ATTACHMENT	P		
b	RESERVE FUND- SEE ATTACHMENT	P		
c				
d				
e				

	(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)
a	299,474		334,746	-35,272
b	1,442		1,442	
c				
d				
e				

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69

	(i) F M V as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col (i) over col (j), if any	(l) Gains (Col (h) gain minus col (k), but not less than -0-) or Losses (from col (h))
a				-35,272
b				
c				
d				
e				

2	Capital gain net income or (net capital loss) { If gain, also enter in Part I, line 7 / If (loss), enter -0- in Part I, line 7 }	2	-35,272
3	Net short-term capital gain or (loss) as defined in sections 1222(5) and (6) If gain, also enter in Part I, line 8, column (c) (see the instructions) If (loss), enter -0- in Part I, line 8	3	

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

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

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

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

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

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

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (col (b) divided by col (c))
2007	15,188,539	10,735,764	1 414761
2006	12,794,150	10,847,697	1 179435
2005	3,798,130	8,998,635	0 422078
2004	8,052,608	7,130,658	1 129294
2003	55,914,683	5,661,686	9 875977

2	**Total** of line 1, column (d)	2	14 021545
3	Average distribution ratio for the 5-year base period—divide the total on line 2 by 5, or by the number of years the foundation has been in existence if less than 5 years	3	2 804309
4	Enter the net value of noncharitable-use assets for 2008 from Part X, line 5	4	11,413,898
5	Multiply line 4 by line 3	5	32,008,097
6	Enter 1% of net investment income (1% of Part I, line 27b)	6	1,566
7	Add lines 5 and 6	7	32,009,663
8	Enter qualifying distributions from Part XII, line 4	8	19,366,695

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

Part VI Excise Tax Based on Investment Income (Section 4940(a), 4940(b), 4940(e), or 4948—see the instructions)

1a	Exempt operating foundations described in section 4940(d)(2), check here ▶ ☐ and enter "N/A" on line 1				
	Date of ruling letter ______ (attach copy of ruling letter if necessary–see instructions)				
b	Domestic foundations that meet the section 4940(e) requirements in Part V, check here ▶ ☐ and enter 1% of Part I, line 27b			1	3,131
c	All other domestic foundations enter 2% of line 27b Exempt foreign organizations enter 4% of Part I, line 12, col (b)				
2	Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only Others enter -0-)			2	
3	Add lines 1 and 2			3	3,131
4	Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only Others enter -0-)			4	
5	**Tax based on investment income.** Subtract line 4 from line 3 If zero or less, enter -0-			5	3,131
6	Credits/Payments				
a	2008 estimated tax payments and 2007 overpayment credited to 2008	6a	3,916		
b	Exempt foreign organizations—tax withheld at source	6b			
c	Tax paid with application for extension of time to file (Form 8868)	6c	2,000		
d	Backup withholding erroneously withheld	6d			
7	Total credits and payments Add lines 6a through 6d			7	5,916
8	Enter any **penalty** for underpayment of estimated tax Check here ☐ if Form 2220 is attached			8	
9	**Tax due.** If the total of lines 5 and 8 is more than line 7, enter **amount owed** ▶			9	
10	**Overpayment.** If line 7 is more than the total of lines 5 and 8, enter the **amount overpaid.** ▶			10	2,785
11	Enter the amount of line 10 to be **Credited to 2009 estimated tax** ▶ 2,785	**Refunded** ▶		11	

Part VII-A Statements Regarding Activities

			Yes	No
1a	During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?	1a		No
b	Did it spend more than $100 during the year (either directly or indirectly) for political purposes (see the instructions for definition)?	1b		No
	*If the answer is "Yes" to **1a** or **1b**, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities.*			
c	Did the foundation file **Form 1120-POL** for this year?	1c		No
d	Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year **(1)** On the foundation ▶ $ ______ **(2)** On foundation managers ▶ $ ______			
e	Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers ▶ $ ______			
2	Has the foundation engaged in any activities that have not previously been reported to the IRS?	2		No
	If "Yes," attach a detailed description of the activities.			
3	Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? *If "Yes," attach a conformed copy of the changes*	3		No
4a	Did the foundation have unrelated business gross income of $1,000 or more during the year?	4a		No
b	If "Yes," has it filed a tax return on **Form 990-T** for this year?	4b		
5	Was there a liquidation, termination, dissolution, or substantial contraction during the year?	5		No
	If "Yes," attach the statement required by General Instruction T.			
6	Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either • By language in the governing instrument, or • By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?	6	Yes	
7	Did the foundation have at least $5,000 in assets at any time during the year? *If "Yes," complete Part II, col (c), and Part XV*	7	Yes	
8a	Enter the states to which the foundation reports or with which it is registered (see the instructions) ▶ TX			
b	If the answer is "Yes" to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by General Instruction G? *If "No," attach explanation*	8b	Yes	
9	Is the foundation claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 2008 or the taxable year beginning in 2008 (see instructions for Part XIV)? *If "Yes," complete Part XIV*	9	Yes	
10	Did any persons become substantial contributors during the tax year? *If "Yes," attach a schedule listing their names and addresses*	10		No

Part VII-A Statements Regarding Activities Continued

			Yes	No
11	At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," attach schedule (see page 20 of the instructions)	11a		No
12	Did the foundation acquire a direct or indirect interest in any applicable insurance contract?	12		No
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application?	13	Yes	

Web site address ▶WWW MOODYGARDENS COM

14 The books are in care of ▶JOHN PETERSON Telephone no ▶(409) 683-4220

Located at ▶ONE HOPE BLVD galveston TX ZIP+4 ▶77554

15 Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of **Form 1041** —Check here ▶ ☐

and enter the amount of tax-exempt interest received or accrued during the year ▶ | 15 |

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

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

			Yes	No
1a	During the year did the foundation (either directly or indirectly)			
	(1) Engage in the sale or exchange, or leasing of property with a disqualified person? ☐ Yes ☑ No			
	(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? ☐ Yes ☑ No			
	(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person? ☐ Yes ☑ No			
	(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person? ☑ Yes ☐ No			
	(5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)? ☐ Yes ☑ No			
	(6) Agree to pay money or property to a government official? (**Exception.** Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days). ☐ Yes ☑ No			
b	If any answer is "Yes" to 1a(1)–(6), did **any** of the acts fail to qualify under the exceptions described in Regulations section 53 4941(d)-3 or in a current notice regarding disaster assistance (see the instructions)?	1b		No
	Organizations relying on a current notice regarding disaster assistance check here ▶ ☐			
c	Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2008?	1c		No
2	Taxes on failure to distribute income (section 4942) (does not apply for years the foundation was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5))			
a	At the end of tax year 2008, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2008? ☐ Yes ☑ No			
	If "Yes," list the years ▶ 20____ , 20____ , 20____ , 20____			
b	Are there any years listed in 2a for which the foundation is **not** applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to **all** years listed, answer "No" and attach statement—see the instructions)	2b		
c	If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here ▶ 20____ , 20____ , 20____ , 20____			
3a	Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year? ☐ Yes ☑ No			
b	If "Yes," did it have excess business holdings in 2008 as a result of **(1)** any purchase by the foundation or disqualified persons after May 26, 1969, **(2)** the lapse of the 5-year period (or longer period approved by the Commissioner under section 4943(c)(7)) to dispose of holdings acquired by gift or bequest, or **(3)** the lapse of the 10-, 15-, or 20-year first phase holding period? *(Use Schedule C, Form 4720, to determine if the foundation had excess business holdings in 2008.)*	3b		
4a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	4a		No
b	Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2008?	4b		No

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

5a	During the year did the foundation pay or incur any amount to			
	(1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))? ☐ Yes ☑ No			
	(2) Influence the outcome of any specific public election (see section 4955), or to carry on, directly or indirectly, any voter registration drive? ☐ Yes ☑ No			
	(3) Provide a grant to an individual for travel, study, or other similar purposes? ☐ Yes ☑ No			
	(4) Provide a grant to an organization other than a charitable, etc , organization described in section 509(a)(1), (2), or (3), or section 4940(d)(2)? (see instructions). ☐ Yes ☑ No			
	(5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals? ☐ Yes ☑ No			
b	If any answer is "Yes" to 5a(1)–(5), did **any** of the transactions fail to qualify under the exceptions described in Regulations section 53 4945 or in a current notice regarding disaster assistance (see the instructions)?	**5b**		
	Organizations relying on a current notice regarding disaster assistance check here ▶ ☐			
c	If the answer is "Yes" to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant? ☐ Yes ☐ No			
	If "Yes," attach the statement required by Regulations section 53.4945–5(d).			
6a	Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? ☐ Yes ☑ No			
b	Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract?	**6b**		**No**
	If you answered "Yes" to 6b, also file Form 8870.			
7a	At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction? ☐ Yes ☑ No			
b	If yes, did the foundation receive any proceeds or have any net income attributable to the transaction?	**7b**		**No**

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

1 List all officers, directors, trustees, foundation managers and their compensation (see the instructions).

(a) Name and address	**(b)** Title, and average hours per week devoted to position	**(c)** Compensation **(If not paid, enter -0-)**	**(d)** Contributions to employee benefit plans and deferred compensation	**(e)** Expense account, other allowances
See Additional Data Table				

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

(a) Name and address of each employee paid more than $50,000	**(b)** Title and average hours per week devoted to position	**(c)** Compensation	**(d)** Contributions to employee benefit plans and deferred compensation	**(e)** Expense account, other allowances
JOHN ZENDT ONE HOPE BLVD GALVESTON,TX 77554	GENERAL MANAGER 40 0	142,000	8,430	0
JAMIE WEIR ONE HOPE BLVD GALVESTON,TX 77554	DIRECTOR OF SALES 40 0	139,739	8,339	0
GARVIN O'NEIL ONE HOPE BLVD GALVESTON,TX 77554	HOTEL GENERAL MGR 40 0	140,000	8,350	0
URS SCHMID ONE HOPE BLVD GALVESTON,TX 77554	HOTEL CHEF 40 0	122,256	7,640	0
JOHN PETERSON ONE HOPE BLVD GALVESTON,TX 77554	TREASURER 40 0	104,000	6,910	0
Total number of other employees paid over $50,000 ▶				24

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

3 Five highest-paid independent contractors for professional services—(see the instructions). If none, enter "NONE."

(a) Name and address of each person paid more than $50,000	**(b)** Type of service	**(c)** Compensation
MORRIS ARCHITECTS 1001 FANNIN SUITE 300 HOUSTON, TX 77002	ARCHITECTS	1,085,843
PANNELL KERR FORSTER OF TEXAS PC 5847 SAN FELIPE SUITE 2400 HOUSTON, TX 77057	AUDITING & TAXATION	123,292
PELLI CLARK PELLI ARCHITECTS 1056 CHAPEL STREET NEW HAVEN, CT 06510	ARCHITECTS	847,463
PJA ARCHITECTS AND LANDSCAPE ARCHITECTS 210 THIRD AVE SOUTH 2B SEATTLE, WA 98104	ARCHITECTS	176,259
RALPH APPELBAUM ASSOCIATES INC 88 PINE STREET NEW YORK CITY, NY 10005	ARCHITECTS	413,271
Total number of others receiving over $50,000 for professional services. . . . . ▶		5

Part IX-A **Summary of Direct Charitable Activities**

List the foundation's four largest direct charitable activities during the tax year Include relevant statistical information such as the number of organizations and other beneficiaries served, conferences convened, research papers produced, etc	Expenses
1 CONSTRUCTION/MAINTENANCE/RENOVATION OF FACILITIES AT MOODY GARDENS FOR THE PARK BOARD OF TRUSTEES, WHICH INCLUDE A MUSEUM, AQUARIUM, AND HOTEL	18,678,054
2 OPERATION OF PUBLIC FACILITIES AT MOODY GARDENS HOTEL CONFERENCE CENTER, AQUARIUM, IMAX THEATER, RAINFOREST AND OTHER FACILITIES FOR THE PARK BOARD OF TRUSTEES	37,477,246
3 RENOVATION, MANAGEMENT, OPERATION AND MAINTENANCE OF THE GOLF COURSE FOR THE CITY OF GALVESTON	688,641
4	

Part IX-B **Summary of Program-Related Investments** (see the instructions)

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

Part X Minimum Investment Return (All domestic foundations must complete this part. Foreign foundations, see page 24 of the instructions.)

1	Fair market value of assets not used (or held for use) directly in carrying out charitable, etc , purposes		
a	Average monthly fair market value of securities	1a	1,040,544
b	Average of monthly cash balances	1b	7,714,535
c	Fair market value of all other assets (see the instructions)	1c	2,832,635
d	**Total** (add lines 1a, b, and c)	1d	11,587,714
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation) 1e		
2	Acquisition indebtedness applicable to line 1 assets	2	0
3	Subtract line 2 from line 1d	3	11,587,714
4	Cash deemed held for charitable activities Enter 1 1/2% of line 3 (for greater amount, see the instructions)	4	173,816
5	**Net value of noncharitable-use assets.** Subtract line 4 from line 3 Enter here and on Part V, line 4	5	11,413,898
6	**Minimum investment return.** Enter 5% of line 5	6	570,695

Part XI Distributable Amount (see page 25 of the instructions) (Section 4942(j)(3) and (j)(5) private operating foundations and certain foreign organizations check here ▶ ☑ and do not complete this part.)

1	Minimum investment return from Part X, line 6			1	
2a	Tax on investment income for 2008 from Part VI, line 5	2a			
b	Income tax for 2008 (This does not include the tax from Part VI)	2b	0		
c	Add lines 2a and 2b			2c	0
3	Distributable amount before adjustments Subtract line 2c from line 1			3	0
4	Recoveries of amounts treated as qualifying distributions			4	
5	Add lines 3 and 4			5	0
6	Deduction from distributable amount (see the instructions)			6	
7	**Distributable amount** as adjusted Subtract line 6 from line 5 Enter here and on Part XIII, line 1			7	0

Part XII Qualifying Distributions (see page 25 of the instructions)

1	Amounts paid (including administrative expenses) to accomplish charitable, etc , purposes		
a	Expenses, contributions, gifts, etc —total from Part I, column (d), line 26	1a	19,366,695
b	Program-related investments—total from Part IX-B	1b	0
2	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc , purposes	2	0
3	Amounts set aside for specific charitable projects that satisfy the		
a	Suitability test (prior IRS approval required)	3a	0
b	Cash distribution test (attach the required schedule)	3b	0
4	**Qualifying distributions.** Add lines 1a through 3b Enter here and on Part V, line 8, and Part XIII, line 4	4	19,366,695
5	Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income Enter 1% of Part I, line 27b (see page 26 of the instructions)	5	
6	**Adjusted qualifying distributions.** Subtract line 5 from line 4	6	19,366,695

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

Part XIII Undistributed Income (see page 26 of the instructions)

	(a) Corpus	(b) Years prior to 2007	(c) 2007	(d) 2008
1 Distributable amount for 2008 from Part XI, line 7				0
2 Undistributed income, if any, as of the end of 2007				
a Enter amount for 2007 only.			0	
b Total for prior years 2006 , 20___ , 20___		0		
3 Excess distributions carryover, if any, to 2008				
a From 2003. 0				
b From 2004. 0				
c From 2005. 0				
d From 2006. 0				
e From 2007. 0				
f **Total** of lines 3a through e.	0			
4 Qualifying distributions for 2008 from Part XII, line 4 ▶ $ 19,366,695				
a Applied to 2007, but not more than line 2a			0	
b Applied to undistributed income of prior years (Election required—see the instructions). . . .		0		
c Treated as distributions out of corpus (Election required—see the instructions).	0			
d Applied to 2008 distributable amount.				0
e Remaining amount distributed out of corpus	0			
5 Excess distributions carryover applied to 2008 *(If an amount appears in column (d), the same amount must be shown in column (a).)*	0			0
6 **Enter the net total of each column as indicated below:**				
a Corpus Add lines 3f, 4c, and 4e Subtract line 5	0			
b Prior years' undistributed income Subtract line 4b from line 2b		0		
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed.		0		
d Subtract line 6c from line 6b Taxable amount—see the instructions		0		
e Undistributed income for 2006 Subtract line 4a from line 2a Taxable amount—see the instructions			0	
f Undistributed income for 2008 Subtract lines 4d and 5 from line 1 This amount must be distributed in 2008				0
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (see the instructions)	0			
8 Excess distributions carryover from 2002 not applied on line 5 or line 7 (see page 27 of the instructions)				
9 **Excess distributions carryover to 2008.** Subtract lines 7 and 8 from line 6a	0			
10 Analysis of line 9				
a From 2004. 0				
b From 2005. 0				
c From 2006. 0				
d From 2007. 0				
e From 2008. 0				

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

1a If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 2008, enter the date of the ruling. . . . . . . ▶

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

	Tax year	Prior 3 years			(e) Total
	(a) 2008	**(b)** 2007	**(c)** 2006	**(d)** 2005	
2a Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed	0				0
b 85% of line 2a	0				0
c Qualifying distributions from Part XII, line 4 for each year listed	19,366,695	15,188,539	12,794,150	3,798,130	51,147,514
d Amounts included in line 2c not used directly for active conduct of exempt activities					
e Qualifying distributions made directly for active conduct of exempt activities Subtract line 2d from line 2c	19,366,695	15,188,539	12,794,150	3,798,130	51,147,514
3 Complete 3a, b, or c for the alternative test relied upon					
a "Assets" alternative test—enter					
(1) Value of all assets	50,623,253	20,980,635	22,714,399	14,063,235	108,381,522
(2) Value of assets qualifying under section 4942(j)(3)(B)(i)					0
b "Endowment" alternative test— enter 2/3 of minimum investment return shown in Part X, line 6 for each year listed. . .	380,463	357,859	361,590	299,955	1,399,867
c "Support" alternative test—enter					
(1) Total support other than gross investment income (interest, dividends, rents, payments on securities loans (section 512(a)(5)), or royalties)					0
(2) Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(iii). . . .					0
(3) Largest amount of support from an exempt organization					0
(4) Gross investment income					0

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

1 Information Regarding Foundation Managers:

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

NONE

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

NONE

2 Information Regarding Contribution, Grant, Gift, Loan, Scholarship, etc., Programs:

Check here ▶☑ if the organization only makes contributions to preselected charitable organizations and does not accept unsolicited requests for funds If the organization makes gifts, grants, etc (see the instructions) to individuals or organizations under other conditions, complete items 2a, b, c, and d

a The name, address, and telephone number of the person to whom applications should be addressed

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

c Any submission deadlines

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

Part XV Supplementary Information (continued)

3 Grants and Contributions Paid During the Year or Approved for Future Payment

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
***a** Paid during the year*				
CITY OF GALVESTON 823 ROSENBURG GALVESTON,TX 77550	N/A	N/A	RENOVATION/MANAGEMENT/OPERATION/MAINTENANCE OF THE GOLF COURSE AT MOODY GARDENS	688,641
PARK BOARD OF TRUSTEES OF THE CITY OF GALVESTON 2504 CHURCH STREET GALVESTON,TX 77550	N/A	N/A	CONSTRUCTION/MAINTENANCE/RENOVATION OF FACILITIES AT MOODY GARDENS	18,678,054
Total . . . . ► **3a**				19,366,695
***b** Approved for future payment*				
PARK BOARD OF TRUSTEES OF THE CITY OF GALVESTON 2504 CHURCH STREET GALVESTON,TX 77550	N/A	N/A	CONSTRUCTION/MAINTENANCE/RENOVATION OF FACILITIES AT MOODY GARDENS	0
CITY OF GALVESTON 823 ROSENBERG GALVESTON,TX 77550	N/A	N/A	RENOVATION/MANAGEMENT/OPERATION/MAINTENANCE OF THE GOLF COURSE AT MOODY GARDENS	0
ISLAND STAR PERFORMANCES ONE HOPE BOULEVARD GALVESTON,TX 77550	N/A	N/A	MANAGEMENT AND BOOKKEEPING SERVICES ASSOCIATED WITH THE PROMOTION AND PRODUCTION OF LIVE MUSICAL/THEATRICAL PERFORMANCES AT MOODY GARDENS	0
Total . . . . ► **3b**				0

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated	Unrelated business income		Excluded by section 512, 513, or 514		(e) Related or exempt function income (See the instructions)
	(a) Business code	(b) Amount	(c) Exclusion code	(d) Amount	
1 Program service revenue					
a See Additional Data Table					
b					
c					
d					
e					
f					
g Fees and contracts from government agencies					
2 Membership dues and assessments. . . .					
3 Interest on savings and temporary cash investments			14	127,594	
4 Dividends and interest from securities. . . .			14	38,792	
5 Net rental income or (loss) from real estate					
a Debt-financed property.					
b Not debt-financed property.					
6 Net rental income or (loss) from personal property					
7 Other investment income.					
8 Gain or (loss) from sales of assets other than inventory			18	-35,272	
9 Net income or (loss) from special events					
10 Gross profit or (loss) from sales of inventory. .					
11 Other revenue a					
b					
c					
d					
e					
12 Subtotal Add columns (b), (d), and (e). .				131,114	33,201,925

13 **Total.** Add line 12, columns (b), (d), and (e). **13** 33,333,039

(See worksheet in line 13 instructions to verify calculations)

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

Line No.	Explain below how each activity for which income is reported in column (e) of Part XVI-A contributed importantly to the accomplishment of the organization's exempt purposes (other than by providing funds for such purposes) (See the instructions)
1A	REVENUES RECEIVED FROM THE OPERATION OF A HOTEL, PUBLIC
1A	REVENUES RECEIVED FROM THE OPERATION OF THE MUNICIPAL GOLF

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

			Yes	No
1	Did the organization directly or indirectly engage in any of the following with any other organization described in section 501(c) of the Code (other than section 501(c)(3) organizations) or in section 527, relating to political organizations?			
a	Transfers from the reporting organization to a noncharitable exempt organization of			
	(1) Cash	1a(1)		No
	(2) Other assets	1a(2)		No
b	Other transactions			
	(1) Sales of assets to a noncharitable exempt organization	1b(1)		No
	(2) Purchases of assets from a noncharitable exempt organization	1b(2)		No
	(3) Rental of facilities, equipment, or other assets	1b(3)		No
	(4) Reimbursement arrangements	1b(4)		No
	(5) Loans or loan guarantees	1b(5)		No
	(6) Performance of services or membership or fundraising solicitations	1b(6)		No
c	Sharing of facilities, equipment, mailing lists, other assets, or paid employees	1c		No

d If the answer to any of the above is "Yes," complete the following schedule Column **(b)** should always show the fair market value of the goods, other assets, or services given by the reporting organization If the foundation received less than fair market value in any transaction or sharing arrangement, show in column **(d)** the value of the goods, other assets, or services received

(a) Line No	(b) Amount involved	(c) Name of noncharitable exempt organization	(d) Description of transfers, transactions, and sharing arrangements

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

b If "Yes," complete the following schedule

(a) Name of organization	(b) Type of organization	(c) Description of relationship

Sign Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete Declaration of preparer (other than taxpayer or fiduciary) is based on all information of which preparer has any knowledge

******	2010-07-29	******
Signature of officer or trustee	Date	Title

Paid Preparer's Use Only

Preparer's Signature	Date	Check if self-employed ☐	Preparer's SSN or PTIN (See **Signature** in the instructions)
Firm's name (or yours if self-employed), address, and ZIP code	Pannell Kerr Forster of Texas PC 5847 San Felipe Suite 2400 Houston, TX 770573092	EIN ▸ Phone no (713) 860-1400	

Schedule B

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

Department of the Treasury
Internal Revenue Service

Schedule of Contributors

▶ Attach to Form 990, 990-EZ, and 990-PF.
▶ See separate instructions.

OMB No 1545-0047

2008

Name of organization
MOODY GARDENS INC

Employer identification number
76-0288131

Organization type (check one)

Filers of:	**Section:**
Form 990 or 990-EZ	☐ 501(c)( ) (enter number) organization
	☐ 4947(a)(1) nonexempt charitable trust **not** treated as a private foundation
	☐ 527 political organization
Form 990-PF	☑ 501(c)(3) exempt private foundation
	☐ 4947(a)(1) nonexempt charitable trust treated as a private foundation
	☐ 501(c)(3) taxable private foundation

Check if your organization is covered by the **General Rule** or a **Special Rule.** (**Note.** *Only a section 501(c)(7), (8), or (10) organization can check boxes for both the General Rule and a Special Rule See instructions*)

General Rule—

☑ For organizations filing Form 990, 990-EZ, or 990-PF that received, during the year, $5,000 or more (in money or property) from any one contributor Complete Parts I and II

Special Rules—

☐ For a section 501(c)(3) organization filing Form 990, or Form 990-EZ, that met the $33\frac{1}{3}$% support test of the regulations under sections 509(a)(1)/170(b)(1)(A)(vi), and received from any one contributor, during the year, a contribution of the greater of **(1)** $5,000 or **(2)** 2% of the amount onForm 990, Part VIII, line 1h or 2% of the amount on Form 990-EZ, line 1 Complete Parts I and II

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

☐ For a section 501(c)(7), (8), or (10) organization filing Form 990, or Form 990-EZ, that received from any one contributor, during the year, some contributions for use *exclusively* for religious, charitable, etc , purposes, but these contributions did not aggregate to more than $1,000 (If this box is checked, enter here the total contributions that were received during the year for an *exclusively* religious, charitable, etc , purpose Do not complete any of the parts unless the **General Rule** applies to this organization because it received nonexclusively religious, charitable, etc , contributions of $5,000 or more during the year) . . . . ▶ $ ____________

Caution. Organizations that are not covered by the General Rule and/or the Special Rules do not file Schedule B (Form 990, 990-EZ, or 990-PF), but they **must** answer "No" on Part IV, line 2 of their Form 990, or check the box in the heading of their Form 990-EZ, or on line 2 of their Form 990-PF, to certify that they do not meet the filing requirements of Schedule B (Form 990, 990-EZ, or 990-PF)

Name of organization
MOODY GARDENS INC

Employer identification number
76-0288131

Part I **Contributors** (see Instructions)

(a) No.	(b) Name, address, and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
1	MOODY FOUNDATION 2302 POST OFFICE ST GALVESTON, TX 77550	$ 57,735,114	Person ☑ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution)
		$	Person ☐ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution)
		$	Person ☐ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution)
		$	Person ☐ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution)
		$	Person ☐ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution)
		$	Person ☐ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution)

Name of organization	Employer identification number
MOODY GARDENS INC	76-0288131

Part II **Noncash Property** (see Instructions)

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

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

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

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

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

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

Name of organization
MOODY GARDENS INC

Employer identification number
76-0288131

Part III *Exclusively* **religious, charitable, etc., individual contributions to section 501(c)(7), (8), or (10) organizations aggregating more than $1,000 for the year.** (Complete columns **(a)** through **(e)** and the following line entry)
For organizations completing Part III, enter the total of *exclusively* religious, charitable, etc , contributions of **$1,000 or less** for the year (Enter this information once See instructions) ▶ $

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held

(e) Transfer of gift

Transferee's name, address, and ZIP 4	Relationship of transferor to transferee

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held

(e) Transfer of gift

Transferee's name, address, and ZIP 4	Relationship of transferor to transferee

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held

(e) Transfer of gift

Transferee's name, address, and ZIP 4	Relationship of transferor to transferee

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held

(e) Transfer of gift

Transferee's name, address, and ZIP 4	Relationship of transferor to transferee

TY 2008 Accounting Fees Schedule

Name: MOODY GARDENS INC

EIN: 76-0288131

Category	Amount	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
ACCOUNTING FEES	129,074		129,074	

TY 2008 Depreciation Schedule

Name: MOODY GARDENS INC

EIN: 76-0288131

TY 2008 Investments - Land Schedule

Name: MOODY GARDENS INC

EIN: 76-0288131

TY 2008 Investments - Other Schedule

Name: MOODY GARDENS INC

EIN: 76-0288131

Category/ Item	Listed at Cost or FMV	Book Value	End of Year Fair Market Value
JANET JORDAN ENDOWMENT FUND		901,987	901,987
RESERVE FUND		156,496	156,496

TY 2008 Land, Etc. Schedule

Name: MOODY GARDENS INC

EIN: 76-0288131

TY 2008 Legal Fees Schedule

Name: MOODY GARDENS INC

EIN: 76-0288131

Category	Amount	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
HUNTON & WILLIAMS, LLP	22,992		22,992	
GREER, HERZ & ADAMS, LLP	37,943		37,943	
GORDON & REES, LLP	495		495	
BAKER & MCKENSZIE, LLP	636		636	
MUSKAT, MARTINEZ & MAHONY, LLP	3,590		3,590	
GRAVES,DOUGHERTY,HEARON &MOODY	9,385		9,385	

TY 2008 Other Assets Schedule

Name: MOODY GARDENS INC

EIN: 76-0288131

Description	Beginning of Year - Book Value	End of Year - Book Value	End of Year - Fair Market Value
DEPOSITS	18,282	22,782	22,782
INVENTORIES	480,205	486,988	486,988
AQUARIUM ANIMALS	169,941	144,692	144,692

TY 2008 Other Expenses Schedule

Name: MOODY GARDENS INC

EIN: 76-0288131

Description	Revenue and Expenses per Books	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
MARKETING	933,936		933,936	
ANIMAL AQUISITIONS	7,462		7,462	
ANIMAL CARE	201,593		201,593	
OTHER EXHIBITS	37,590		37,590	
FILM LICENSE	636,848		636,848	
REPAIRS	1,535,834		1,535,834	
FREIGHT	9,058		9,058	
SUPPLIES	1,031,123		1,031,123	
CREDIT CARD PROCESSING	484,354		484,354	
SPECIAL PROGRAMMING	217,743		217,743	
SPECIAL EVENTS	290,413		290,413	
LINEN RENTAL	84,577		84,577	
GOLF COURSE ADMINISTRATIVE	567,999		567,999	
LANDSCAPING	4,455		4,455	
CLUBHOUSE	46,292		46,292	
AMORITIZATION	25,249		25,249	
OTHER	2,686,340		2,686,340	
ADMINISTRATION	8,717,298		8,717,298	
GARDENS	837,488		837,488	
CENTRAL PLANT	4,942,618		4,942,618	
HUMAN RESOURCES	544,003		544,003	
REPAIRS & MAINTENANCE	1,339,994		1,339,994	
SALES & MARKETING	1,036,107		1,036,107	
OPERATIONS	197,765		197,765	
CENTRAL PURCHASING	242,767		242,767	
SECURITY	172,506		172,506	
TICKETING	337,716		337,716	
TRANSPORTATION	3,933		3,933	
VISITOR AND VOLUNTEER SERVICES	36,076		36,076	

TY 2008 Other Increases Schedule

Name: MOODY GARDENS INC

EIN: 76-0288131

Description	Amount
UNREALIZED APPRECIATION-MKT SECURITIES	44,668

TY 2008 Other Liabilities Schedule

Name: MOODY GARDENS INC

EIN: 76-0288131

Description	Beginning of Year - Book Value	End of Year - Book Value
DEFERRED COMPENSATION PAYABLE		

TY 2008 Other Professional Fees Schedule

Name: MOODY GARDENS INC

EIN: 76-0288131

Category	Amount	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
PROFESSIONAL FEES-CONSULTING	19,638		19,638	
RECORDKEEPING/ACTUARIAL FEES	8,252	6,437	1,815	
INVESTMENT MGMT AGENCY FEE	4,343	3,388	955	

TY 2008 Sales Of Inventory Schedule

Name: MOODY GARDENS INC

EIN: 76-0288131

Category	Gross Sales	Cost of Goods Sold	Net (Gross Sales Minus Cost of Goods Sold)
HOTEL	19,232,298		19,232,298
AQUARIUM	3,880,544		3,880,544
GIFT SHOPS	798,883		798,883
RAINFOREST	1,890,927		1,890,927
EDUCATION	443,628		443,628
PALM BEACH	1,084,646		1,084,646
IMAX	2,795,666		2,795,666
DISCOVERY MUSEUM	1,135,453		1,135,453
CONVENTION CENTER	586,529		586,529
GOLF COURSE	1,300,894		1,300,894
MISCELLANEOUS	2,982,234		2,982,234

TY 2008 Taxes Schedule

Name: MOODY GARDENS INC

EIN: 76-0288131

Category	Amount	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
PAYROLL TAXES-FEDERAL	917,728		917,728	
PAYROLL TAXES-STATE	33,911		33,911	

MNB

ASSETS DISPOSED

MOODY GRDNS INC-J. JORDAN ENDOWMENT
ACCOUNT: 1850085100

FOR THE PERIOD 10/01/08 THROUGH 09/30/09

DATE	PAR VALUE OR SHARES	DESCRIPTION	PROCEEDS	ADJUSTED COST	REALIZED GAIN/LOSS
03/16/09	20.0000	AIRGAS INC	591.87	970.17-	378 30-
10/28/08	50.0000	ALLERGAN INC	1,780.06	1,888.26-	108.20-
12/16/08	100.0000	AMERICAN INTERNATIONAL GROUP INC	172.99	7,522.89-	7,349.90-
01/20/09	25.0000	BUNGE LIMITED	1,033.17	1,363.68-	330.51-
10/28/08	150.0000	DELL INC	1,818.46	5,256.93-	3,438.47-
03/16/09	80.0000	DOW CHEMICAL COMPANY	531.26	2,189.56-	1,658.30-
04/27/09	20.0000	DU PONT E I DE NEMOURS & CO	566.22	822.40-	256.18-
05/11/09	200.0000	EASTMAN KODAK CO	635.26	5,692.00-	5,056.74-
10/28/08	40.0000	ELECTRONICS FOR IMAGING INC	344.19	1,031.95-	687.76-
10/15/08	10,000.0000	EMERSON ELECTRIC 5.000% 10/15/08	10,000.00	10,000.00-	0.00
10/28/08	35.0000	EURONET WORLDWIDE INC	350.47	1,004.04-	653 57-
01/12/09	1.0000	FAIRPOINT COMMUNICATIONS INC	2.70	7.83-	5.13-

MNB

ASSETS DISPOSED

MOODY GRDNS INC-J. JORDAN ENDOWMENT
ACCOUNT: 1850085100

FOR THE PERIOD 10/01/08 THROUGH 09/30/09

DATE	PAR VALUE OR SHARES	DESCRIPTION	PROCEEDS	ADJUSTED COST	REALIZED GAIN/LOSS
10/15/08	102.2600	FHLMC GD PL #E01085 5.500% 12/01/16	102.26	100.57-	1.69
11/17/08	175.0800	FHLMC GD PL #E01085 5.500% 12/01/16	175.08	172.18-	2.90
12/15/08	105.8800	FHLMC GD PL #E01085 5.500% 12/01/16	105.88	104.13-	1.75
01/15/09	113.4400	FHLMC GD PL #E01085 5.500% 12/01/16	113.44	111.56-	1.88
02/17/09	123.7800	FHLMC GD PL #E01085 5.500% 12/01/16	123.78	121.73-	2.05
03/16/09	179.6500	FHLMC GD PL #E01085 5.500% 12/01/16	179.65	176.67-	2.98
04/15/09	212.8500	FHLMC GD PL #E01085 5.500% 12/01/16	212.85	209.33-	3.52
05/15/09	221.9200	FHLMC GD PL #E01085 5.500% 12/01/16	221.92	218.24-	3.68
06/15/09	208.6900	FHLMC GD PL #E01085 5.500% 12/01/16	208.69	205.23-	3.46
07/15/09	200.2500	FHLMC GD PL #E01085 5.500% 12/01/16	200.25	196.93-	3.32
08/17/09	181.9700	FHLMC GD PL #E01085 5.500% 12/01/16	181.97	178.96-	3.01
09/15/09	130.3900	FHLMC GD PL #E01085 5.500% 12/01/16	130.39	128.23-	2.16
		TOTAL FHLMC GD PL #E01085 5.500% 12/01/16	1,956.16	1,923.76-	32.40
12/08/08	15,000.0000	FIRST TENN BANK MTN 5.316% 12/08/08	15,000.00	14,985.00-	15.00
12/16/08	75.0000	FREDDIE MAC	48.81	4,075.08-	4,026.27-
12/16/08	100.0000	GENWORTH FINANCIAL	261.53	3,240.45-	2,978.92-
06/01/09	0.4209	HARRIS STRATEX NETWORKS CL A	2.03	2.25-	0.22-
06/09/09	12.0000	HARRIS STRATEX NETWORKS CL A	69.24	64.08-	5.16
		TOTAL HARRIS STRATEX NETWORKS CL A	71.27	66.33-	4.94
02/04/09	100.0000	INTERNATIONAL PAPER CO	985.20	2,094.14-	1,108.94-

ASSETS DISPOSED

MOODY GRDNS INC-J. JORDAN ENDOWMENT
ACCOUNT: 1850085100

FOR THE PERIOD 10/01/08 THROUGH 09/30/09

DATE	PAR VALUE OR SHARES	DESCRIPTION	PROCEEDS	ADJUSTED COST	REALIZED GAIN/LOSS
12/16/08	25.0000	NATIONAL FINANCIAL PARTNERS	110.92	1,128.10-	1,017.18-
01/28/09	0.9200	PNC FINANCIAL SERVICES GROUP	33.32	59.28-	25.96-
10/20/08	2,710.2000	SEI DAILY INCOME TR TREAS #38 CL A	2,710.20	2,710.20-	0.00
10/23/08	25,125.0000	SEI DAILY INCOME TR TREAS #38 CL A	25,125.00	25,125.00-	0.00
10/27/08	22,202.8700	SEI DAILY INCOME TR TREAS #38 CL A	22,202.87	22,202.87-	0.00
10/28/08	1,807.2100	SEI DAILY INCOME TR TREAS #38 CL A	1,807.21	1,807.21-	0.00
11/14/08	14,277.0600	SEI DAILY INCOME TR TREAS #38 CL A	14,277.06	14,277.06-	0.00
11/24/08	13,712.3100	SEI DAILY INCOME TR TREAS #38 CL A	13,712.31	13,712.31-	0.00
11/26/08	597.8800	SEI DAILY INCOME TR TREAS #38 CL A	597.88	597.88-	0.00
12/24/08	664.1400	SEI DAILY INCOME TR TREAS #38 CL A	664.14	664.14-	0.00
01/06/09	25,000.0000	SEI DAILY INCOME TR TREAS #38 CL A	25,000.00	25,000.00-	0.00
01/14/09	1,341.2200	SEI DAILY INCOME TR TREAS #38 CL A	1,341.22	1,341.22-	0.00
01/27/09	654.4400	SEI DAILY INCOME TR TREAS #38 CL A	654.44	654.44-	0.00
01/28/09	25,000.0000	SEI DAILY INCOME TR TREAS #38 CL A	25,000.00	25,000.00-	0.00
01/30/09	1,435.2300	SEI DAILY INCOME TR TREAS #38 CL A	1,435.23	1,435.23-	0.00
02/18/09	25,000.0000	SEI DAILY INCOME TR TREAS #38 CL A	25,000.00	25,000.00-	0.00
02/26/09	644.1400	SEI DAILY INCOME TR TREAS #38 CL A	644.14	644.14-	0.00
03/23/09	453.3600	SEI DAILY INCOME TR TREAS #38 CL A	453.36	453.36-	0.00
03/26/09	652.7000	SEI DAILY INCOME TR TREAS #38 CL A	652.70	652.70-	0.00
04/08/09	21,200.0000	SEI DAILY INCOME TR TREAS #38 CL A	21,200.00	21,200.00-	0.00
04/21/09	333.5300	SEI DAILY INCOME TR TREAS #38 CL A	333.53	333.53-	0.00
04/28/09	146.0800	SEI DAILY INCOME TR TREAS #38 CL A	146.08	146.08-	0.00
05/01/09	1,046.1200	SEI DAILY INCOME TR TREAS #38 CL A	1,046.12	1,046.12-	0.00
05/11/09	1,894.3600	SEI DAILY INCOME TR TREAS #38 CL A	1,894.36	1,894.36-	0.00
05/27/09	682.7300	SEI DAILY INCOME TR TREAS #38 CL A	682.73	682.73-	0.00
06/17/09	24,332.4300	SEI DAILY INCOME TR TREAS #38 CL A	24,332.43	24,332.43-	0.00
06/19/09	257.7100	SEI DAILY INCOME TR TREAS #38 CL A	257.71	257.71-	0.00
06/26/09	686.4900	SEI DAILY INCOME TR TREAS #38 CL A	686.49	686.49-	0.00
07/27/09	351.0100	SEI DAILY INCOME TR TREAS #38 CL A	351.01	351.01-	0.00

MNB

ASSETS DISPOSED

MOODY GRDNS INC-J. JORDAN ENDOWMENT
ACCOUNT: 1850085100

FOR THE PERIOD 10/01/08 THROUGH 09/30/09

DATE	PAR VALUE OR SHARES	DESCRIPTION	PROCEEDS	ADJUSTED COST	REALIZED GAIN/LOSS
08/26/09	739.8700	SEI DAILY INCOME TR TREAS #38 CL A	739.87	739.87-	0.00
09/09/09	23,599.2500	SEI DAILY INCOME TR TREAS #38 CL A	23,599.25	23,599.25-	0.00
09/28/09	743.2900	SEI DAILY INCOME TR TREAS #38 CL A	743.29	743.29-	0.00
		TOTAL SEI DAILY INCOME TR TREAS #38 CL A	237,290.63	237,290.63-	0.00
12/18/08	100.0000	SPRINT NEXTEL CORP	173.14	2,145.58-	1,972.44-
10/28/08	40.0000	SRA INTERNATIONAL INC-CL A	714.06	1,144.46-	430.40-
12/15/08	25,000.0000	ST PAUL COS INC MTN 6.380% 12/15/08	25,000.00	25,000.00-	0.00
12/19/08	100.0000	WASHINGTON MUTUAL INC	2.29	3,843.76-	3,841.47-
		TOTAL ASSETS DISPOSED	299,473.98	334,746.28-	35,272.30-

THE REALIZED GAIN/LOSS NOTED ABOVE IS BASED ON THE FEDERAL TAX COST VALUE OF THE POSITION SOLD, NOT THE ADJUSTED BOOK VALUE.

MNB

ASSETS DISPOSED

MOODY GARDENS-HOPE THERAPY RESERVE
ACCOUNT: 1850089800

FOR THE PERIOD 10/01/08 THROUGH 09/30/09

DATE	PAR VALUE OR SHARES	DESCRIPTION	PROCEEDS	ADJUSTED COST	REALIZED GAIN/LOSS
10/27/08	119.3100	SEI DAILY INCOME PRIME OBL #34	119.31	119.31-	0.00
11/25/08	118.1200	SEI DAILY INCOME PRIME OBL #34	118.12	118.12-	0.00
12/23/08	118.0800	SEI DAILY INCOME PRIME OBL #34	118.08	118.08-	0.00
01/26/09	118.9200	SEI DAILY INCOME PRIME OBL #34	118.92	118.92-	0.00
02/26/09	115.5300	SEI DAILY INCOME PRIME OBL #34	115.53	115.53-	0.00
03/25/09	116.4600	SEI DAILY INCOME PRIME OBL #34	116.46	116.46-	0.00
04/27/09	118.1200	SEI DAILY INCOME PRIME OBL #34	118.12	118.12-	0.00
05/27/09	119.8600	SEI DAILY INCOME PRIME OBL #34	119.86	119.86-	0.00
06/26/09	119.3900	SEI DAILY INCOME PRIME OBL #34	119.39	119.39-	0.00
07/24/09	122.7800	SEI DAILY INCOME PRIME OBL #34	122.78	122.78-	0.00
08/25/09	125.5600	SEI DAILY INCOME PRIME OBL #34	125.56	125.56-	0.00
09/25/09	130.2200	SEI DAILY INCOME TR PRIME OBL #34	130.22	130.22-	0.00
		TOTAL SEI DAILY INCOME PRIME OBL #34	1,442.35	1,442.35-	0.00
		TOTAL ASSETS DISPOSED	1,442.35	1,442.35-	0.00

THE REALIZED GAIN/LOSS NOTED ABOVE IS BASED ON THE FEDERAL TAX COST VALUE OF THE POSITION SOLD, NOT THE ADJUSTED BOOK VALUE.

ATTACHMENT TO FORM 990-PF
Moody Gardens
Profit (Loss) from Operations
FYE 9/30/09

The amount on line 27a does not represent the results from Moody Gardens operations because it includes non-operating income and expenses Following is a calculation of the results from Moody Gardens operations, along with a reconciliation of such results of operations back to the amount shown on line 27a

Revenue	
Hotel	19,232,298
Imax Theater	2,795,666
Aquarium	3,880,544
Discovery Museum	1,135,453
Gift Shops	798,883
Rainforest	1,890,927
Education	443,628
Palm Beach	1,084,646
Convention Center	586,529
Golf Course	1,300,894
Interest Income	104,557
Miscellaneous	2,982,234
Total Revenue	**36,236,259**
Expenses:	
Program-Specific Services	
Hotel	12,405,423
Imax Theater	981,106
Aquarium	1,422,428
Discovery Museum	258,646
Gift Shops	485,422
Rainforest	1,017,030
Education	189,002
Palm Beach	355,602
Convention Center	736,033
Golf Course	2,261,131
Total Program-Specific Services	**20,111,823**

ATTACHMENT TO FORM 990-PF
Moody Gardens
Profit (Loss) from Operations
FYE 9/30/09

Support Services	
Administration	8,941,051
Gardens	837,488
Central Plant	4,942,618
Human Resources	1,686,963
Repairs and Maintenance	1,339,994
Sales and Marketing	1,036,107
Operations	197,765
Central Purchasing	242,767
Security	172,506
Ticketing	337,716
Transportation	3,933
Visitor and Volunteer Services	36,076
Interest Expense	547,353
Total Support Services	**20,322,337**
Total Expenses	**40,434,160**
OPERATING PROFIT (LOSS)	**(4,197,901)**

Reconcilation of Operating Profit (Loss) to Line 27a of Form 990-PF:

Add Nonoperational Income	
Grants from Moody Foundation	57,735,114
Interest Income On Grant Funds	23,037
Dividends & Interest On Therapy Endowment	38,792
Realized Loss on Securities in Therapy Endowment	(35,272)
Subtract Nonoperational Expenses	
Assets Transferred to Park Board and the City of Galveston	(19,366,695)
Recordkeeping/Actuarial Fees for Therapy Endowment	(8,252)
Investment Management Agency Fee for Therapy Endowment	(4,343)
Other miscellaneous income	29,907
Change in Net Assets per Fin.Stmts and Line 27a of Form 990-PF	**34,214,387**

Form 990PF Part XVI-A Line 1 - Program service revenue:

Enter gross amounts unless otherwise indicated	Unrelated business income		Excluded by section 512, 513, or 514		(e) Related or exempt function income (See the instructions)
1 Program service revenue	**(a)** Business code	**(b)** Amount	**(c)** Exclusion code	**(d)** Amount	
a HOTEL REVENUES					16,302,521
b AQUARIUM					3,880,544
c GIFT SHOPS					798,883
d RAINFOREST					1,890,927
e EDUCATION					443,628
f PALM BEACH					1,084,646
IMAX					2,795,666
DISCOVERY MUSEUM					1,135,453
CONVENTION CENTER					586,529
GOLF COURSE					1,300,894
MISCELLANEOUS					2,982,234

Additional Data

Software ID: 08000068
Software Version: 08-8.1
EIN: 76-0288131
Name: MOODY GARDENS INC

Form 990PF PartVIII Line 1 - List all officers, directors, trustees, foundation managers and their compensation

(a) Name and address	**(b)** Title, and average hours per week devoted to position	**(c)** Compensation **(If not paid, enter -0-)**	**(d)** Contributions to employee benefit plans and deferred compensation	**(e)** Expense account, other allowances
E DOUGLAS MCLEOD 2302 POST OFFICE STREET GALVESTON,TX 77550	CHAIRMAN/DIRECTOR 0	4,350	0	0
LUIS R HERNANDEZ 1175 FM 802 BROWNSVILLE,TX 78521	V-P/DIRECTOR 0	4,350	0	3,280
DONALD SCHATTEL 33 MAPLE LANE GALVESTON,TX 77551	V-P/DIRECTOR 0	7,350	0	0
DON CHILDRESS 5 DANSBY DRIVE E GALVESTON,TX 77551	DIRECTOR 0	4,950	0	0
ANN M MOODY 5 COLONY PARK DRIVE GALVESTON,TX 77551	DIRECTOR 0	0	0	0
JOHN IPPOLITO PO BOX 309 AUSTIN,TX 78767	DIRECTOR 0	4,300	0	3,345
JERI KINNEAR 4802 AVENUE Q GALVESTON,TX 77551	EX-OFFICIO DIRECTOR 0	0	0	0
MIKE RILEY ONE HOPE BOULEVARD GALVESTON,TX 77550	PRESIDENT/DIRECTOR 40 0	0	0	0
JOHN ZENDT ONE HOPE BOULEVARD GALVESTON,TX 77554	GENERAL MANAGER 40 0	142,000	8,430	0
JOHN PETERSON ONE HOPE BOULEVARD GALVESTON,TX 77554	TREASURER 40 0	104,000	6,910	0
SUSAN ORR ONE HOPE BLVD GALVESTON,TX 77554	BOARD SECRETARY OCT 08-JAN 09 40 0	12,380	1,412	0