

REPORT OF THE TREASURER

The summarized financial information of the Gates Family Foundation is shown below:

BALANCE SHEET DECEMBER 31, 2008

ASSETS

Cash and cash equivalents	\$ 3,190,332
Short-term investments	4,631,267
Investments, at market value (unaudited):	
Domestic equity	126,992,895
International equity	79,260,856
Hedge fund	55,219,070
Other investments	<u>17,899,625</u>
Total investments	<u>279,372,446</u>
Total assets	\$ <u>287,194,045</u>

LIABILITIES AND NET ASSETS

Accrued expenses	\$ 132
Net assets	
Designated to meet federal tax distribution requirements	19,986,364
Berence Gates Hopper Family Fund	2,016,348
Gates Frontiers Fund	124,975,198
Robert E. Hopper Family Fund	1,283,873
Undesignated	<u>138,932,130</u>
Total net assets	<u>287,193,913</u>
Total liabilities and net assets	\$ <u>287,194,045</u>

REVENUE AND EXPENSES YEAR ENDED DECEMBER 31, 2008 (INCOME TAX BASIS)

REVENUE COLLECTED

Interest and dividends	\$ 6,405,717
Net realized loss on sale of investments	(15,610,128)
Contributions	1,700,000
Miscellaneous income	<u>55,975</u>
Total revenue collected	\$ <u>(7,448,436)</u>

EXPENSES PAID

Grants, net of refunds of \$250,000	\$ 21,737,042
Investment expenses	907,627
Administrative expenses	985,462
Excise taxes	<u>385,120</u>
Total expenses paid	<u>24,015,251</u>

Changes in net assets

Changes in net assets not reported under the cash basis method of accounting:	\$ <u>(31,463,687)</u>
Decrease in unrealized appreciation of investments	\$ <u>(190,358,018)</u>