

REPORT OF THE TREASURER

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

BALANCE SHEET DECEMBER 31, 2009

ASSETS

Cash and cash equivalents	\$ 4,043,002
Short-term investments	12,788,776
Investments, at market value (unaudited):	
Domestic equity	128,274,344
International equity	120,560,452
Hedge fund	65,181,109
Private equity partnerships	24,827,872
Total investments	<u>338,843,777</u>
Total assets	\$ <u>355,675,555</u>

LIABILITIES AND NET ASSETS

Accrued expenses	\$ 35
Net assets	
Designated to meet federal tax distribution requirements	15,354,281
Berenice Gates Hopper Family Fund	2,497,313
Gates Frontiers Fund	155,552,212
Robert E. Hopper Family Fund	1,587,059
Undesignated	180,684,655
Total net assets	<u>355,675,520</u>
Total liabilities and net assets	\$ <u>355,675,555</u>

REVENUE AND EXPENSES YEAR ENDED DECEMBER 31, 2009 (INCOME TAX BASIS)

REVENUE COLLECTED

Interest and dividends	\$ 3,443,260
Net realized loss on sale of investments	(31,794,915)
Contributions	303,991
Miscellaneous income	64,271
Total revenue collected	\$ <u>(27,983,393)</u>

EXPENSES PAID

Grants,	\$ 19,443,742
less refunds	<u>(429,200)</u>
Net grants paid	19,014,542
Investment expenses	633,574
Administrative expenses	1,005,267
Excise taxes	<u>34,451</u>
Total expenses paid	<u>20,687,834</u>

Changes in net assets \$ (48,671,227)

Changes in net assets not reported under the income tax basis method of accounting:
 Increase in unrealized appreciation of investments \$ 117,152,834