

BILL & MELINDA GATES
FOUNDATIONS

98
ANNUAL REPORTS

for the WILLIAM H. GATES FOUNDATION
and the GATES LIBRARY FOUNDATION

BILL & MELINDA GATES
FOUNDATIONS

William H. Gates Foundation

The William H. Gates Foundation
was founded in 1994 to support philanthropic
initiatives in education, world health and
population, and community giving
in the Pacific Northwest.

Gates Library Foundation

The Gates Library Foundation is dedicated
to partnering with public libraries to bring access
to computers, the Internet, and digital information
to patrons in low-income communities in the
United States and Canada.



Our philanthropy began in 1994 when we
founded the William H. Gates Foundation.
Led by Bill’s father, the Foundation supports initiatives in
education, world health and population, and community giving
in the Pacific Northwest.

In early 1997, it became clear to us that we wanted to focus
even more closely on helping to close the “digital divide,” —
the gap between those who have access to the power of tech-
nology and the Internet, and those who don’t.

With that in mind, we worked with Patty Stonesifer to
establish the Gates Library Foundation to bring computers,
Internet access, and training to public libraries in low-income
communities in the United States and Canada. Since the
Foundation’s inception, we’ve had the privilege of working
with more than 700 libraries in some of the neediest areas of
our country.

But if there’s one thing we hope to convey with our first
annual report, it’s that all of this is just a beginning. At the end
of the 1997-98 fiscal years, the combined endowment for both
Foundations was more than \$500 million. Since that time we
have made additional gifts, and the total endowment for both
Foundations now exceeds \$2 billion.

We are very fortunate to be living in a time in which
innovations are happening in many critical areas, including
technology. And, we have prospered from these changes.
As we move into the 21st century, we hope that through
our giving, we can increase access to advances in education,
technology and world health for all people.

It’s a journey, an exciting one, and we’re just beginning to
take our first steps down the path. As Winston Churchill said,
“We make a living by what we get, we make a life by what we
give.” We are looking forward to many more years of sharing
and giving together.

Bill Gates
Bill Gates

Melinda Gates
Melinda Gates

December, 1998

World Health and Population

The United Nations Population Fund's most recent State of the World Population Report *notes that due to*

unprecedented efforts over the last 30 years, the momentum of population growth has slowed, and could slow even further in the coming decades.



GRANT RECIPIENTS

AVSC International

New York, New York
\$2,094,509
(over three years)
Expansion of study of simple ways to screen for cervical cancer among unscreened women in Capetown, South Africa; for development of a distance training program on infection prevention that would be field tested and made broadly available.

Eastern Virginia Medical School

Alexandria, Virginia
\$1,500,000
(over three years)
Identification of industry partners for the Consortium for Industrial Collaboration in Contraceptive Research, and research support at non-profit organizations.

Facing the Future

Lopez Island, Washington
\$75,000
(over three years)
Expansion of interdisciplinary sixth through twelfth grade curriculum explaining the relationship among population, environment, economic and social issues.

Commitments and grants in world health and population, totaling \$10,032,977 were made from April 1, 1997 to March 31, 1998.

At the same time, world population is increasing by over 80 million people each year. World population will pass six billion in 1999, and will continue to increase at least until the middle of the next century.

Many developing countries have made important gains in improving infant and child health, lengthening lifespans, and providing people with the information and means to determine the size of their family. Millions of couples have chosen to have fewer children, thereby reducing the overall rate of population growth.

However, in some developing countries, mostly in Africa, fertility and mortality remain high. A woman’s chance of dying as a result of pregnancy is more than one in 20; life expectancy is below 60 years; and 10 percent or more of newborns do not survive the first year of life.

At a count of 1.05 billion, today’s is the largest-ever generation of young people between ages 15 and 24. This

cancer are priority activities for improving women’s health.

Assuring that children in developing countries have access to new vaccines that protect against meningitis, diarrheal diseases, and pneumonia is among the priorities for improving children’s health.

The William H. Gates Foundation supports the historic global consensus that resulted from the International

Family Care International
New York, New York
\$400,000
Support for initiatives in women’s reproductive health.

Johns Hopkins University
Baltimore, Maryland
\$2,257,200
(over five years)
Training for leaders in developing countries through the Family Planning Leadership Education Institute.

Operation Smile
Norfolk, Virginia
\$1,000,000
Providing corrective facial surgery for children in China through the Smile Train program.

Planned Parenthood Federation of America
New York, New York
\$115,000
General support.

Population Communication International
New York, New York
\$600,000
(over two years)
Programs for communicating family messages through new materials and the media.

Population Resource Center
Washington, D.C.
\$191,268
Encouraging local outreach efforts to ensure underrepresented groups are included in the national census.

Project ORBIS
New York, New York
\$100,000
Support of ophthalmic training and community health programs in developing countries.

United Nations Population Fund
New York, New York
\$200,000
Evaluation of five-year progress of the International Conference on Population and Development.

\$1,500,000
(over three years)
Expansion of the South-South Partners program.

group has special needs for health care and education. Young women and girls have particular needs, especially in the area of reproductive health. Meeting the need of adolescents requires that information and services are both accessible and available.

Improving the health of women and children, especially in the developing world, is a goal of the William H. Gates Foundation. Increasing access to voluntary family planning services; expanding services to enable women to go through pregnancy and childbirth safely; and preventing cervical

Conference on Population and Development held in Cairo, Egypt in 1994. The consensus supports a concern about global population growth, and recognizes that lasting solutions will come about only by seeking an integrated approach toward improving the lives of women.

This unprecedented international agreement has created an extraordinary opportunity to affect real change in health and population in industrialized nations and in the developing world. Many of the grants made by the Foundation reflect its support of this far-reaching, watershed consensus.

Education

Bill and Melinda Gates believe that life-long learning is intrinsically valuable, and that access to a quality education opens doors for young people and adults alike. Especially in today’s rapidly changing world, education is a prime influence on personal and professional success.

Commitments
and grants in education,
totaling \$4,280,147
were made from April 1,
1997 to March 31, 1998.

Alliance for Education
Seattle, Washington
\$100,000
Laurelhurst Elementary School endowment challenge fund and support of its computer technology program.

Bellevue Community College Foundation
Bellevue, Washington
\$150,000
Northwest Center for Emerging Technologies capital campaign.

Center for Community Service
Seattle, Washington
\$125,000
Computers in Washington state schools.

Empowerment Africa Foundation
Buca, Cameroon
\$240,000
Support of programs to help eradicate illiteracy among women and youth in the Cameroon.

Forest Ridge School
Bellevue, Washington
\$50,000
Laptop computer acquisition.

Friends of Nelson Mandela Children's Fund
Rockville, Maryland
\$1,125,492
Educational programs for South African youth who are homeless, disabled, or in detention.

Gandhi Institute
Mumbai, India
\$700,000
Promote computer-related education to the unemployed and underprivileged in India through the Gandhi Institute of Computer Education and Information Technology.

Johns Hopkins University
Baltimore, Maryland
\$40,000
Greenmount Neighborhood Community Computer Center.

Olympic College Foundation
Bremerton, Washington
\$100,000
Capital campaign to rebuild Olympic College Library.

Sacred Heart School
Bellevue, Washington
\$400,000
Capital campaign and endowment fund for technology enhancements.

Seattle Community College
Seattle, Washington
\$100,000
Dan Evans Award for Distinguished Teaching.

Snohomish School District Foundation
Snobomish, Washington
\$200,000
Laptop computer acquisition for K-12 students.

St. Mary's Dominican High School
New Orleans, Louisiana
\$50,000
Enhanced computer education support.

Teacher Leadership in Technology
Bellevue, Washington
\$338,155
Technology training and equipment for teachers to use in creating a classroom curriculum for students in grades five through seven.

Technology Access Foundation
Seattle, Washington
\$444,000
(over three years)
Access for local underserved communities.

Winston Churchill Foundation
New York, New York
\$115,000
(over five years)
Scholarships.

Community Giving in the Pacific Northwest

The Foundation supports local civic and arts organizations in the Pacific Northwest through capital campaign funding and grants to programs that address the needs of children and families. Capital campaigns are the cornerstone of funding for many organizations that provide basic resources to ensure that Northwest families have access to food, housing, health care, child care, and cultural opportunities.

Commitments
and grants to the Pacific
Northwest community,
totaling \$5,183,937
were made from April 1,
1997 to March 31, 1998.

ACAP Child and Family Services
Auburn, Washington
\$20,000
King County Courthouse Drop-In Child Care Center.

American Red Cross
Seattle, Washington
\$100,000
Capital campaign support.

Archdiocese of Seattle
Seattle, Washington
\$600,000
150th Anniversary Campaign for the Catholic Church in western Washington.

Bainbridge Island Land Trust
Bainbridge Island, Washington
\$40,000
Preservation of the island’s Wildlife Corridor.

Children’s Museum of Spokane
Spokane, Washington
\$75,000
Capital campaign support.

Children’s Oncology Services of Washington
Seattle, Washington
\$30,000
Ronald McDonald House support.

City Year
Seattle, Washington
\$1,000,000
(over three years)
Seattle site to engage youth in team-based service to children and underserved communities.

Eastside Domestic Violence Program
Bellevue, Washington
\$100,000
Communications and technology enhancements of the capital improvement plan.

Harmony Hill
Union, Washington
\$225,000
(over three years)
Expansion of programs and services.

Intiman Theatre
Seattle, Washington
\$100,000
Capital campaign support.

Multi-Service Centers
Redmond, Washington
\$1,200,000
Capital campaign to create the Adelle Maxwell Child Care and Development Center.

Northwest AIDS Foundation
Seattle, Washington
\$5,000
Production of new communications materials.

Pacific Science Center
Seattle, Washington
\$1,000,000
Capital campaign support.

Seattle Art Museum
Seattle, Washington
\$100,000
Exhibition support for *Leonardo Lives: The Codex Leicester* and *Leonardo da Vinci’s Legacy of Art and Science*.

Seattle International District Preservation Authority
Seattle, Washington
\$50,000
Capital campaign support.

Swedish Medical Center
Seattle, Washington
\$34,500
Cancer Pain Research Fund.

United Way of King County
Seattle, Washington
\$480,000
Annual giving support.

Women Helping Women Fund
Spokane, Washington
\$9,437
Computer and software purchases.

Annual Gifts and Special Projects



American Judicature Society

Chicago, Illinois
General support.

Association for the Cure of Cancer

Santa Monica, California
General support.

Children's Hospital Foundation

Seattle, Washington
Annual giving support.

Duke University

Durham, North Carolina
Annual giving support.

Girls, Inc. of Sioux City

Sioux City, Iowa
General support.

Glenvil Village

Glenvil, Nebraska
Playground equipment.

Greater Washington Educational TV

Washington, D.C.
Capital campaign support.

Hilton Elementary School

Zillah, Washington
Support for the school's science fair.

Initiative for a Competitive Inner City

Boston, Massachusetts
General support.

Lakeside School

Seattle, Washington
Annual giving support.

Make-A-Wish Foundation America

Phoenix, Arizona
Annual giving support.

Make-A-Wish Foundation Washington

Seattle, Washington
Annual giving support.

National Center for State Courts

Williamsburg, Virginia
Annual giving support.

Overlake Hospital Foundation

Bellevue, Washington
Annual giving support.

Rural Development Institute

Seattle, Washington
Programs making it possible for farmers in developing countries to own their own land.

Salvation Army

Seattle, Washington
General support.

Seattle Art Museum

Seattle, Washington
Annual giving support.

United Way International

Alexandria, Virginia
General support.



Libraries and Access to Information

The National Telecommunications and Information

Agency noted earlier this year in a landmark study,

“Falling Through the Net II: New Data on the Digital

Divide,” that while computer use has increased nationwide,



*It is the dream of the founders and staff that library patrons everywhere will come to
think of the public library as the champion of books and knowledge, as well as a
major access point to the benefits of the digital age.*

there is still a significant and growing gap between those with access to technology and the power of the Internet, and those without.

The new data demonstrate that Americans are embracing the Internet at home in dramatically growing numbers. In the past three years alone, personal computer ownership has increased by almost 52 per cent; Internet access has grown by close to 140 per cent; and e-mail access has expanded by just under 400 per cent.

Yet, this amazing growth has occurred to a greater extent within certain income levels, demographic groups, and geographic areas than in others — and the gap is growing. There is a widening disparity between those at upper and lower income levels. Geographic location also plays a role, with rural and urban dwellers at a disadvantage compared to their suburban counterparts. White households are more than

twice as likely to own a computer than African-American or Hispanic households. The digital divide between racial groups is growing.

The startling facts of this study are troubling. Accessing information is an age-old problem that is taking on a new urgency with the emergence of the Internet as a fundamental tool for learning. Access to technology has become synonymous with access to knowledge and education; it is critically important that it be available to everyone, regardless of race, gender, income, or age.

Gates Library Foundation

The belief that libraries are the ideal place to start addressing this issue was at the heart of the decision by Bill and Melinda Gates to establish the Gates Library Foundation in 1997. American libraries have a long and democratic tradition of providing free information — be it found in a book, or through searching the Internet — to children and adults from all walks of life.

Grants made by the
Gates Library Foundation
from August 1, 1997
to July 31, 1998
totalled \$14,515,776.

Public libraries have the potential to play an important role in helping bridge the looming digital divide, and bring computers and the Internet to everyone. But due to a lack of financial resources, most public libraries are still not able to offer this kind of widespread public access.

In its first full year of operation, the Gates Library Foundation worked with over 700 underserved public libraries in 25 states to fund the purchase of computers and hardware to bring Internet access to their patrons. Libraries also received free training and technical assistance as part of their grant, as well as gifts of software from Microsoft.

To accomplish this, grant programs were instituted based on poverty statistics from the U.S. Census Bureau and the American Library Association.

Statewide Library Partnership grants were announced to facilitate relationships between the Foundation, state library agencies, university schools of library science, and local libraries. Alabama and Louisiana were the first two states to receive grants under this comprehensive program. New Mexico, Arkansas, Kentucky, West Virginia, and Mississippi were also announced as Statewide Library Partnership grantees this year. In addition, 164 individual city and rural library systems and branches received grants.

Central to the success of the program’s first year was the non-profit organization, Technology Resource Institute (TRI), which provided all technical assistance and training. TRI’s hands-on work with the library community was so successful that at year’s end TRI was officially merged into the Foundation and renamed The Gates Center for Technology Access.

The five-year goal of the library program is to provide grants to over 10,000 American and over 3,000 Canadian libraries; provide training for countless librarians; and take an active role in ensuring information access for future generations.

It is the dream of the founders and staff that library patrons everywhere will come to think of the public library as the champion of books and knowledge, as well as a major access point to the benefits of the digital age.

As the Secretary General of the United Nations, Koffi Anan, said, “Knowledge is power. Information is liberating. Education is the premise of progress, in every society, in every family.”

Following is a list of libraries and organizations that have received Gates Library Foundation cash grants in fiscal year 1998:

STATE OF ALABAMA	\$2,761,097	
Abbeville Memorial Library		Bridgeport Public Library
Adamsville Public Library		Calera Public Library
Adelia McConnell Russell Library		Carbon Hill Public Library
Albert L. Scott Public Library		Carrollton Public Library
Albertville Public Library		Cherokee County Public Library
Aliceville Public Library		Cherokee Public Library
Andalusia Public Library		Chilton-Clanton Public Library
Annie L. Awbrey Public Library		Choctaw County Public Library
Arab Public Library		Citronelle Memorial Library
Ashland City Public Library		Clyde Nix Public Library
Ashville Public Library		Collinsville Public Library
Athens-Limestone Public Library		Columbiana Public Library
Atmore Public Library		Cordova Public Library
Attalla-Etowah County Public Library		Courtland Public Library
Autauga-Prattville Public Library		Crossville Public Library
B. B. Comer Memorial Library		Cullman County Public Library System
Baldwin County Library Cooperative		Dadeville Public Library
Bay Minette Public Library		Daphne Public Library
Bessemer Public Library		Decatur Public Library
Birmingham Public Library		DeKalb County Library
Blanche R. Solomon Memorial Library		Demopolis Public Library
Blountsville Public Library		Dora Public Library
Boaz Public Library		Double Springs Public Library
Brantley Public Library		Earle A. Rainwater Memorial Library
Brent-Centreville Public Library		Elton B. Stephens Library
Brewton Public Library		Emma Knox Kenan Public Library
		Emmet O'Neal Public Library

Enterprise Public Library
Eufaula Carnegie Library
Eva Public Library
Evergreen-Conecuh County Public Library
Fairhope Public Library
Falkville Public Library
Flomaton Public Library
Florala Memorial Public Library
Florence-Lauderdale Public Library
Foley Public Library
Fultondale Public Library
Gadsden-Etowah County Public Library
Gardendale Public Library
Geraldine Public Library
Goodwater Public Library
Gordo Public Library
Grant Public Library
Graysville Public Library
Greenville-Butler County Public Library
Grove Hill Public Library
Guntersville Public Library
H. Grady Bradshaw-Chambers County Library
Hale County Library
Haleyville Public Library
Harrison Regional Library
Hartselle Public Library
Hayneville/Lowndes Public Library
Helen Keller Public Library
Helena Public Library
Hightower Memorial Library
Homewood Public Library
Hoover Public Library
Houston-Love Memorial Library
Hueytown Public Library
Huntsville-Madison County Public Library
Ider Public Library
Ina Pullen Smallwood Memorial Library
Irondale Public Library
Jacksonville Public Library
James C. Poole, Jr. Memorial Library
Jasper Public Library
Jemison Public Library
Kennedy Public Library
Killen Public Library
Lallouise Florey McGraw Library
Lawrence County Public Library
Leeds Public Library
Leighton Public Library
Lewis Cooper Jr. Memorial Library
Lexington Public Library
Lincoln Public Library
Lineville Public Library
Louisville Public Library
Loxley Public Library
Luverne Public Library
Maplesville Public Library
Marengo County Public Library
Marion-Perry County Library
Mary Berry Brown Memorial Library
Mary Wallace Cobb Memorial Library
MCHS Community Library
Midfield Public Library
Millbrook Public Library
Millport Public Library
Mobile Public Library
Monroe County Public Library
Montgomery City-County Public Library
Moody Public Library
Mose Hudson Tapia Public Library
Muscle Shoals Public Library
Newton Public Library
North Shelby Library
Odenville Public Library
Oneonta Public Library
Opp Public Library
Orange Beach Public Library
Oscar-Johnson Memorial Library
Oxford Public Library

Ozark-Dale County Library
Parnell Memorial Library
Pelham Public Library
Pell City Public Library
Phenix City-Russell County Public Library
Piedmont Public Library
Pleasant Grove Public Library
Prichard Public Library
Public Library of Anniston-Calhoun County
Ragland Public Library
Rainbow City Public Library
Rainsville Public Library
Reform Public Library
Rockford Public Library
Rogersville Public Library
Ruby Pickens Tartt Public Library
Russellville Public Library
Satsuma Public Library
Scottsboro Public Library
Selma-Dallas County Public Library
Sheffield Public Library
Springville Public Library
St. Clair County Public Library System
Steele Public Library
Stevenson Public Library
Sulligent Public Library
Sumiton Public Library
Talladega Public Library
Tallassee Community Library
Tarrant Public Library
Thomas B. Norton Public Library
Thomasville Public Library
Thorsby Public Library
Town and County Library
Troy Public Library
Trussville Public Library
Tupper Lightfoot Memorial Library
Tuscaloosa Public Library
Union Springs Public Library
Uniontown Public Library
University of Alabama
Vestavia Hills Richard M. Scrushy
Public Library
Walter J. Hanna Memorial Library
Warrior Public Library
Washington County Public Library
Weatherford Public Library
West Blocton Public Library
Wetumpka Public Library
White Hall Public Library
White Smith Memorial Library
Wilcox County Library
Wilsonville Public Library
Winfield Public Library
Woodville Public Library

STATE OF ARIZONA **\$124,300**
Apache County Library District
Douglas Public Library
Navajo Nation Library System
Page Public Library System
Phoenix Public Library
Tucson-Pima Public Library

STATE OF CALIFORNIA **\$244,100**
Fresno County Free Library
Kern County Library

STATE OF COLORADO **\$5,855**
The Denver Public Library

STATE OF CONNECTICUT **\$122,200**
Hartford Public Library

STATE OF FLORIDA **\$224,900**
Broward County Library
Palm Beach County Library
Tampa-Hillsborough County
Public Library System

STATE OF GEORGIA **\$43,800**
Dougherty County Public Library
Jefferson County Library System
Middle Georgia Regional Library

STATE OF IOWA **\$51,400**
Davenport Public Library
Iowa City Public Library

STATE OF ILLINOIS **\$82,700**
Carbondale Public Library
Peoria Public Library

STATE OF INDIANA **\$48,900**
Gary Public Library

STATE OF LOUISIANA **\$4,262,926**
Acadia Parish Libraries
Allen Parish Libraries
Ascension Parish Libraries
Assumption Parish Libraries
Audubon Regional Libraries
Avoyelles Parish Libraries
Beauregard Parish Library
Bienville Parish Libraries
Bossier Parish Libraries
Calcasieu Parish Public Libraries
Caldwell Parish Library
Cameron Parish Library
Catahoula Parish Libraries
Claiborne Parish Public Libraries
Concordia Parish Libraries
Desoto Parish Libraies
East Baton Rouge Parish Libraries
East Carroll Parish Library
Evangeline Parish Libraries
Franklin Parish Libraries
Grant Parish Libraries
Iberia Parish Libraries
Iberville Parish Libraries
Jackson Parish Library
Jefferson Davis Parish Libraries
Jefferson Parish Libraries
Jennings Carnegie Public Library
Lafayette Parish Public Libraries
Lafourche Parish Public Libraries
Lasalle Parish Libraries
Lincoln Parish Library
Livingston Parish Libraries
Louisiana State University
Madison Parish Library
Morehouse Parish Libraries
Morgan City Public Library
Natchitoches Parish Library
New Orleans Public Libraries
Opelousas-Eunice Public Libraries
Ouachita Parish Public Libraries
Plaquemines Parish Libraries
Pointe Coupee Parish Libraries
Rapides Parish Libraries
Red River Parish Library
Richland Parish Libraries
Sabine Parish Libraries
Shreve Memorial Libraries
South St. Landry Community Library
St. Bernard Parish Libraries
St. Charles Parish Libraries
St. James Parish Libraries
St. John the Baptist Parish Libraries
St. Martin Parish Libraries
St. Mary Parish Libraries
St. Tammany Parish Libraries
Tangipahoa Parish Libraries
Tensas Parish Library
Terrebonne Parish Libraries
Union Parish Library
Vermilion Parish Libraries
Vernon Parish Libraries
Washington Parish Libraries
Webster Parish Libraries

West Baton Rouge Parish Library
West Carroll Parish Library
Winn Parish Libraries

STATE OF MARYLAND **\$240,000**
Enoch Pratt Free Library

STATE OF MICHIGAN **\$234,100**
Big Rapids Community Library
Detroit Public Library
Kalamazoo Public Library

STATE OF MISSOURI **\$203,100**
Kansas City Public Library
St. Louis Public Library

STATE OF NORTH CAROLINA **\$36,300**
Cumberland County Public Library
and Information Center

STATE OF NEW JERSEY **\$29,300**
Camden City Public Library

STATE OF NEW YORK **\$1,065,000**
Buffalo & Erie County Public Library
The New York Public Library

STATE OF OHIO **\$68,700**
Cleveland Public Library
Toledo-Lucas County Public Library

STATE OF PENNSYLVANIA **\$230,000**
Carnegie Library of Pittsburgh
Free Library of Philadelphia

STATE OF SOUTH DAKOTA **\$18,400**
Dakota Club Library, Inc.
Dewey County Library
Lake Andes Carnegie Public Library

STATE OF TENNESSEE **\$320,467**
Memphis & Shelby County
Public Library
Public Library of Nashville &
Davidson County

STATE OF TEXAS **\$1,081,309**
Brownsville Public Library
Dallas Public Library
Donna Public Library
Edinburg Public Library
El Paso Public Library
Elsa Public Library
Ethel L. Whipple Memorial Library
Fort Worth Public Library
Houston Public Library
Kemp Public Library
Mercedes Memorial Library
San Antonio Public Library
Val Verde County Library

STATE OF VIRGINIA **\$150,255**
Newport News Public
Library System
Norfolk Public Library

STATE OF WASHINGTON **\$176,448**
La Conner Regional Library
Yakima Valley Regional Library

WASHINGTON D.C. **\$94,292**
District of Columbia Public Library

STATE OF WISCONSIN **\$194,453**
Menominee Tribal County Library
Milwaukee Public Library

**GRANTS FOR TRAINING AND
SUPPORT OF LIBRARY PROGRAMS** **\$2,401,474**
Friends of Libraries USA
Fund for America's Libraries
Technology Resource Institute

STATEMENT OF FINANCIAL POSITION		
<i>As of March 31, 1998</i>		
ASSETS:		
Cash and cash equivalents		\$36,717,899
Investments at fair market value		275,702,857
Total Assets		<u>\$312,420,756</u>
NET ASSETS:		
Unrestricted net assets		\$312,420,756
Total Net Assets		<u>\$312,420,756</u>

STATEMENT OF FINANCIAL POSITION		
<i>As of July 31, 1998</i>		
ASSETS:		
Cash and cash equivalents		\$85,717,451
Investments at fair market value		179,478,900
Capital equipment, net		47,155
Total Assets		<u>\$265,243,506</u>
NET ASSETS:		
Unrestricted net assets		\$265,243,506
Total Net Assets		<u>\$265,243,506</u>

William H. Gates Foundation

FINANCIAL STATEMENT

*William H. Gates Foundation grantmaking period
April 1, 1997 through March 31, 1998*

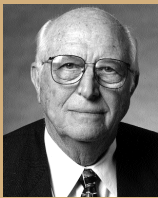
Gates Library Foundation

FINANCIAL STATEMENT

*Gates Library Foundation grantmaking period
August 1, 1997 through July 31, 1998*

STATEMENT OF ACTIVITIES		
<i>The total amount disbursed by the William H. Gates Foundation and the Gates Library Foundation for their respective 1998 fiscal years was \$33,415,192.</i>	<i>Year ended March 31, 1998</i>	
	REVENUES AND GAINS:	
	Contributions	\$102,723,425
	Net realized & unrealized gains	14,591,462
	Interest	13,383,740
	Dividends	3,769,317
	Foreign currency loss	(6,862,042)
	Total Revenues and Gains	<u>127,605,902</u>
	EXPENSES:	
	Grants paid	18,899,416
		Operating and administrative
		936,149
		Federal excise taxes & foreign income taxes
		1,675,760
		<u>21,511,325</u>
		Total Expenses
		21,511,325
		Increase in Unrestricted Net Assets
		106,094,577
UNRESTRICTED NET ASSETS		
		Beginning of the fiscal year
		206,326,179
		Ending of the fiscal year
		<u>\$312,420,756</u>

STATEMENT OF ACTIVITIES		
<i>Year ended July 31, 1998</i>		
REVENUES AND GAINS:		
Contributions		\$231,926,088
Interest		295,229
Dividends		841,298
Net realized & unrealized gains		48,127,428
Total Revenues and Gains		<u>281,190,043</u>
EXPENSES:		
Grants paid		14,515,776
Operating and administrative		1,331,417
Federal excise taxes		1,527,061
Total Expenses		<u>17,374,254</u>
		Increase in Unrestricted Net Assets
		263,815,789
UNRESTRICTED NET ASSETS		
		Beginning of the fiscal year
		1,427,717
		Ending of the fiscal year
		<u>\$265,243,506</u>



William H. Gates, Sr.



Patricia Q. Stonesifer

WILLIAM H. GATES FOUNDATION

William H. Gates III, *Founder, Trustee; Chairman, Microsoft*
Melinda Gates, *Founder*
William H. Gates, Sr., *Director*
Suzanne Cluett, *Associate Director*
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WILLIAM H. GATES FOUNDATION

The William H. Gates Foundation supports philanthropic initiatives in education, world health and population, and community giving in the Pacific Northwest. The Foundation does not accept unsolicited proposals. Additional information is available at www.gatesfoundations.org.

GATES LIBRARY FOUNDATION

The Gates library program issues all U.S. grants through its State Partnership Grant Initiative, which assesses eligibility for grants based on 1990 U.S. Census Department poverty statistics, and invites eligible state library agencies to apply. The Foundation has completed work on Louisiana and Alabama; work is currently underway in Arkansas, Kentucky, Mississippi, New Mexico, and West Virginia. States eligible for the current round of funding are Arizona, California, Florida, Georgia, Idaho, Michigan, Montana, New York, Oklahoma, South Carolina, Tennessee and Texas.

The first step in the process is for library leadership in each state to submit an application outlining its commitment to network development, expanding access to information technologies, sustainability, and public outreach. Upon approval of the state application, individual public libraries within the eligible states are invited to apply for grants if they meet the following criteria: recognition by the state library agency as a public library; a service area constituency with greater than 10% poverty; and no past receipt of a Gates Library Foundation grant. Grants include PCs, software, Internet connectivity, and a package of training and technical support.

In 1999, the Foundation will begin implementation of limited grant-making for international libraries, and will be working in the state of Washington in select education projects.

The Gates Library Foundation does not accept unsolicited proposals. Complete eligibility requirements, application guidelines, and additional information is available at www.gatesfoundations.org.

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