

BILL & MELINDA  
GATES *foundation*



2001 Annual Report

Financials

# Financials

*To the Trustee of the Bill & Melinda Gates Foundation:*

*We have audited, in accordance with auditing standards generally accepted in the United States of America, the statements of financial position of the Bill & Melinda Gates Foundation as of December 31, 2001 and 2000, and the related statements of activities and cash flows (not presented herein) for the years then ended; and in our report dated March 22, 2002, we expressed an unqualified opinion on those financial statements.*

*The accompanying condensed financial statements include only summarized statements of financial position and statements of activities, and do not include statements of cash flows or the footnote disclosures required by accounting principles generally accepted in the United States of America.*

*In our opinion, the information set forth in the accompanying condensed financial statements is fairly stated, in all material respects, in relation to the financial statements from which it has been derived.*

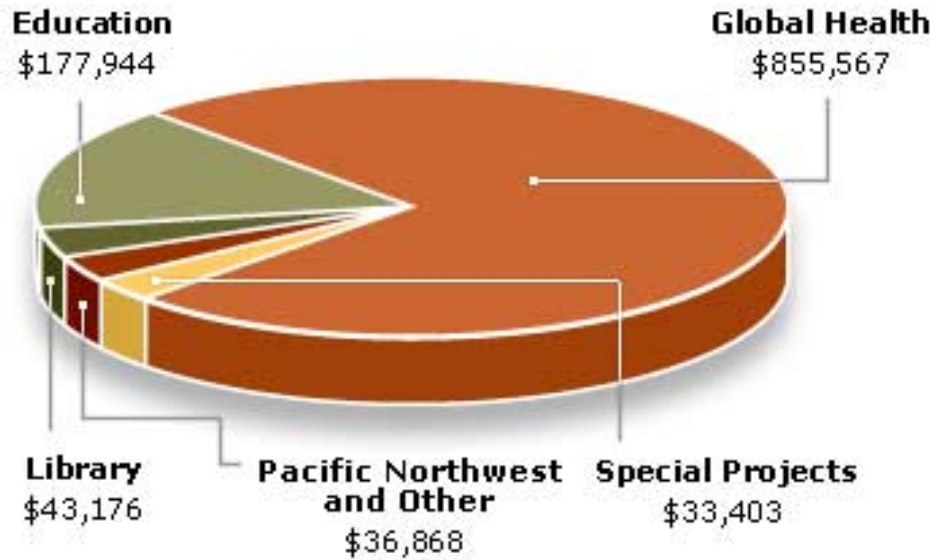
**KPMG LLP**

KPMG LLP

April 26, 2002

## Grants Paid

Summary of Grants Paid by Program Area for the Years Ended December 31, 2001



Summary of Grants Paid by Program Area for the Years Ended December 31, 2001 and 2000

Amounts in thousands

PROGRAM AREA	2001	2000
Global Health	\$855,567	\$554,466
Education	177,944	74,582
Libraries	43,176	75,622
Pacific Northwest and Other	36,868	40,492
Special Projects	33,403	249,713
<b>Total</b>	<b>\$1,146,958</b>	<b>\$994,875</b>

## Financial Position

### Condensed Statements of Financial Position December 31, 2001 and 2000

Amounts in thousands

<b>ASSETS</b>	<b>2001</b>	<b>2000</b>
Cash and cash equivalent	\$276,313	\$38,263
Investments	23,875,273	21,411,399
Investments loaned under secured lending transactions and investment sales receivable	8,268,741	8,890,546
Interest and dividends receivable	298,017	330,386
Federal excise tax refunds receivable and deferred excise taxes	5,910	2,462
Property and equipment, net	<u>7,212</u>	<u>12,726</u>
<b>Total</b>	<b><u>\$32,751,466</u></b>	<b><u>\$30,685,782</u></b>
 <b>LIABILITIES &amp; NET ASSETS</b>		
<b>Liabilities:</b>		
Accounts payable	\$7,509	\$2,059
Payable under investment loan agreements and investment purchases	9,452,721	9,536,694
Accrued and other liabilities	3,663	11,533
Grants payable, net	<u>1,675,982</u>	<u>2,113,894</u>
<b>Subtotal</b>	<b>11,139,875</b>	<b>11,664,180</b>
 <b>Net Assets:</b>		
Unrestricted net assets	<u>21,611,591</u>	<u>19,021,602</u>
<b>Total</b>	<b><u>\$32,751,466</u></b>	<b><u>\$30,685,782</u></b>

\* Investments reflected at market value; all other assets shown at cost

\* Certain reclassifications have been made to the 2000 amounts presented to conform to the 2001 presentation.

## Statement of Activities

### Condensed Statements of Activities for the Years Ended December 31, 2001 and 2000

Amounts in thousands

#### CHANGES IN NET ASSETS

Revenues and gains:	2001	2000
Contributions	\$2,203,305	5,068,003
Investment income, net	1,182,049	303,482
<b>Subtotal</b>	<b>3,385,354</b>	<b>5,371,485</b>
<b>Expenses:</b>		
Grants	709,045	1,538,161
Direct charitable expenses	23,510	14,478
Program and administrative expenses	33,400	30,724
Federal excise tax	29,410	54,745
<b>Subtotal</b>	<b>795,365</b>	<b>1,638,108</b>
Increase in net assets	2,589,989	3,733,377
Unrestricted net assets, beginning of year	19,021,602	15,288,225
<b>Unrestricted net assets, end of year</b>	<b>\$21,611,591</b>	<b>\$19,021,602</b>