

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 technology 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
Snohomish, 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.



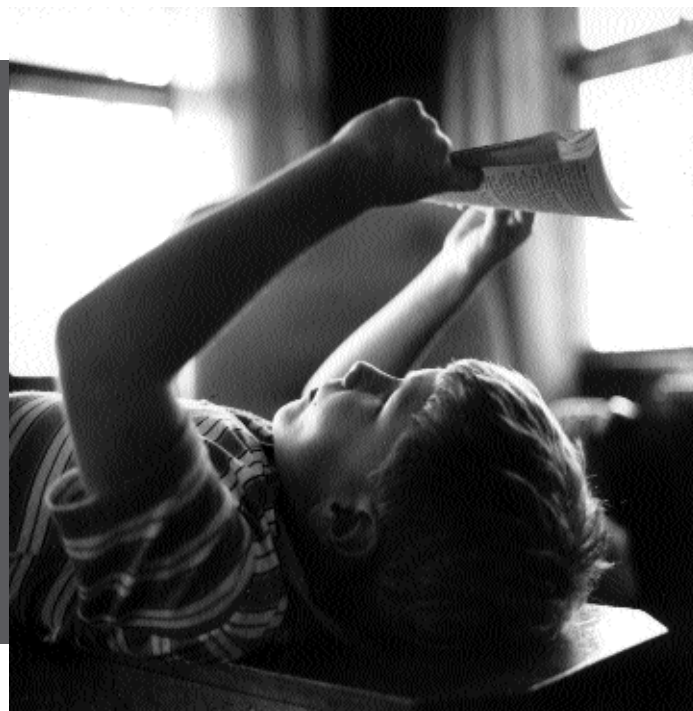
Libraries and Access to Information

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
 Floral 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 Libraries
 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

As of March 31, 1998

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>

William H. Gates Foundation

FINANCIAL STATEMENT

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

STATEMENT OF FINANCIAL POSITION

As of July 31, 1998

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>

Gates Library Foundation

FINANCIAL STATEMENT

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

STATEMENT OF ACTIVITIES

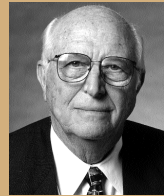
*The total amount disbursed by
the William H. Gates
Foundation and the Gates
Library Foundation for their
respective 1998 fiscal years
was \$33,415,192.*

<i>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
Total Expenses	<u>21,511,325</u>
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

Year ended July 31, 1998

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.

WILLIAM H. GATES FOUNDATION

William H. Gates III, *Founder, Trustee; Chairman, Microsoft*
 Melinda Gates, *Founder*
 William H. Gates, Sr., *Director*
 Suzanne Cluett, *Associate Director*
 Gordon W. Perkin, MD, *Program Adviser, World Health and Population*



Patricia Q. Stonesifer

GATES LIBRARY FOUNDATION

Patricia Q. Stonesifer, *President*
 Richard Akeroyd, *Executive Director, Gates Library Initiative*
 Willem Scholten, *Executive Director, Gates Center for Technology Access*

BOARD OF DIRECTORS

Patricia Q. Stonesifer, *Chairman*
 Melinda Gates, *Founder*
 William H. Gates, III, *Founder; Chairman, Microsoft*
 William H. Gray, III, *President and CEO, United Negro College Fund*
 Dr. Vartan Gregorian, *President, Carnegie Corporation of New York*
 Gilbert Anderson, *Board of Trustees, Seattle Public Library*

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www.gatesfoundations.org

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.

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