



BILL & MELINDA GATES FOUNDATION TRUST

Financial Statements

December 31, 2013 and 2012

(With Independent Auditors' Report Thereon)



KPMG LLP
Suite 2900
1918 Eighth Avenue
Seattle, WA 98101

Independent Auditors' Report

The Trustees
Bill & Melinda Gates Foundation Trust:

We have audited the accompanying financial statements of the Bill & Melinda Gates Foundation Trust (the Trust), which comprise the statements of financial position as of December 31, 2013 and 2012, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with U.S. generally accepted accounting principles; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



Opinion

In our opinion, the financial statements referred to above present fairly in all material respects, the financial position of the Bill & Melinda Gates Foundation Trust as of December 31, 2013 and 2012, and changes in its net assets and its cash flows for the years then ended, in accordance with U.S. generally accepted accounting principles.

KPMG LLP

Seattle, Washington
April 30, 2014

BILL & MELINDA GATES FOUNDATION TRUST

Statements of Financial Position

December 31, 2013 and 2012

(In thousands)

Assets	2013	2012
Cash	\$ 117,157	88,405
Receivable for investment sales and other	231,468	102,066
Receivable for interest and dividends	46,341	36,990
Federal current excise tax receivable	6,049	—
Investments (including securities loaned of \$85,245 in 2012) (note 3)	40,428,779	36,496,158
Total assets	<u>\$ 40,829,794</u>	<u>36,723,619</u>
Liabilities and Net Assets		
Liabilities:		
Accounts payable and other accrued liabilities	\$ 2,123	2,269
Payable under investment lending agreements (note 3)	—	87,290
Payable for investment purchases and other	266,062	196,753
Federal current and deferred excise tax payable	88,955	65,970
Total liabilities	357,140	352,282
Net assets – unrestricted	<u>40,472,654</u>	<u>36,371,337</u>
Total liabilities and net assets	<u>\$ 40,829,794</u>	<u>36,723,619</u>

See accompanying notes to financial statements.

BILL & MELINDA GATES FOUNDATION TRUST

Statements of Activities

Years ended December 31, 2013 and 2012

(In thousands)

	<u>2013</u>	<u>2012</u>
Change in net assets:		
Revenues and gains:		
Contributions	\$ 2,598,610	2,330,762
Investment income, net (note 3)	5,688,883	4,201,924
Total revenues and gains	<u>8,287,493</u>	<u>6,532,686</u>
Expenses:		
Grants to the Bill & Melinda Gates Foundation (note 7)	4,108,470	3,873,050
Federal excise and other taxes, net (note 5)	77,706	67,296
Total expenses	<u>4,186,176</u>	<u>3,940,346</u>
Change in net assets	4,101,317	2,592,340
Unrestricted net assets, beginning of year	<u>36,371,337</u>	<u>33,778,997</u>
Unrestricted net assets, end of year	<u>\$ 40,472,654</u>	<u>36,371,337</u>

See accompanying notes to financial statements.

BILL & MELINDA GATES FOUNDATION TRUST

Statements of Cash Flows

Years ended December 31, 2013 and 2012

(In thousands)

	<u>2013</u>	<u>2012</u>
Cash flows from operating activities:		
Change in net assets	\$ 4,101,317	2,592,340
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Stock and noncash contributions	(2,013,559)	(1,916,212)
Net realized and unrealized gains on investments	(5,587,050)	(3,989,792)
Net accretion and amortization	6,626	(19,906)
Changes in operating assets and liabilities:		
Interest and dividends receivable	(9,351)	36,842
Federal current excise tax receivable	(6,049)	11,999
Accounts payable and accrued liabilities	(146)	832
Federal current and deferred excise tax payable	22,985	37,100
Net cash used in operating activities	<u>(3,485,227)</u>	<u>(3,246,797)</u>
Cash flows from investing activities:		
Purchases of investments	(53,999,697)	(84,959,339)
Proceeds from sales and maturities of investments	57,513,676	87,748,502
Net cash provided by investing activities	<u>3,513,979</u>	<u>2,789,163</u>
Net change in cash	28,752	(457,634)
Cash, beginning of year	<u>88,405</u>	<u>546,039</u>
Cash, end of year	<u>\$ 117,157</u>	<u>88,405</u>
Supplemental disclosure of cash flow information:		
Cash paid during the year for excise taxes	\$ 60,350	18,200

See accompanying notes to financial statements.

BILL & MELINDA GATES FOUNDATION TRUST

Notes to Financial Statements

December 31, 2013 and 2012

(Dollars in thousands)

(1) Organization

The Bill & Melinda Gates Foundation Trust (the Trust) is a tax-exempt private foundation that holds the donated investment assets from Bill and Melinda Gates, and Warren Buffett. The Trust operates its main office in Seattle, Washington. Bill and Melinda Gates are its Trustees. The primary role of the Trust is to manage the investment assets and transfer the proceeds to the Bill & Melinda Gates Foundation (the Foundation) as necessary to achieve the Foundation's charitable goals (note 7 *Related Parties*).

(2) Summary of Significant Accounting Policies

(a) *Basis of Financial Presentation*

The accompanying financial statements have been prepared on the accrual basis of accounting.

The Trust recognizes contributions, including unconditional promises to give, as revenue in the period received. Contributions, net assets, and changes therein are classified and reported based on the existence or absence of donor-imposed restrictions. For the years ended December 31, 2013 and 2012, all activities of the Trust were classified as unrestricted due to the lack of donor-imposed restrictions.

(b) *Cash*

Cash consists of U.S. and foreign currencies.

(c) *Investments*

Investments are stated at fair value with unrealized gains and losses on investments resulting from fair value fluctuations recorded in the statements of activities in the period that such fluctuations occur. Highly liquid interest-earning investments and time deposits with an original maturity of less than three months are classified as cash equivalents within investments. Investment sales and purchases are recorded on a trade-date basis. Dividend income is recorded on the ex-dividend date and interest income is recorded on an accrual basis. Amortization and accretion of premiums and discounts are recorded using the effective-interest method.

(d) *Fair Value of Financial Instruments*

In determining the fair value of investments, the Trust utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible. The Trust determines fair value based on assumptions that market participants would use in pricing an asset or liability in the principal or most advantageous market. When considering market participant assumptions in fair value measurements, the following fair value hierarchy distinguishes between observable and unobservable inputs, which are characterized in one of the following levels:

- Level 1 Inputs: Unadjusted quoted prices in active markets for identical assets or liabilities accessible to the Trust at the measurement date

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(Dollars in thousands)

- Level 2 Inputs: Valuations based on observable inputs (other than Level 1 prices) such as quoted prices for similar assets at the measurement date; quoted prices in markets that are not active; or other inputs that are observable, either directly or indirectly
- Level 3 Inputs: Valuations based on inputs that are unobservable and significant to the overall fair value measurement and involve management judgment

Accounting Standards Codification Subtopic 820-10, *Fair Value Measurements – Overall*, allows for the use of a practical expedient for the estimation of the fair value of investments in investment companies for which the investment does not have a readily determinable fair value. The practical expedient used by the Trust to value private investments is the Net Asset Value (NAV) per share, or its equivalent. In some instances, the NAV may not equal the fair value that would be calculated under fair value accounting standards.

(e) Contributed Services

Contributed services are recognized if the services received either create or enhance long-lived assets or require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. The value of contributed services recorded in the accompanying statements of activities, consisting primarily of investment management services donated by Bill Gates, totaled \$447,980 and \$394,967 for the years ended December 31, 2013 and 2012, respectively. Contributed investment management services included third-party management fees of \$44,805 and \$47,543 in 2013 and 2012, respectively. Contributed investment management services are reflected as contributions revenue and as investment management services expense, which is netted against investment income.

(f) Tax-Exempt Status

The Trust is exempt from federal income taxes under Section 501(c)(3) and is classified as a private foundation under Section 509(a) of the Internal Revenue Code. The Trust is subject to federal excise taxes as well as federal and state unrelated business income tax. In addition, some investments in foreign countries are subject to foreign income tax.

(g) Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

(h) Contributions Received

The Trust accepts contributions from related and unrelated parties and bequests from unrelated parties. Related-party contributions in 2013 and 2012 were received from Warren Buffett and Bill Gates. Warren Buffett contributed Berkshire Hathaway “B” shares valued at \$2,013,559 and \$1,515,851 in 2013 and 2012, respectively. Bill Gates contributed stock and cash totaling \$135,240

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(Dollars in thousands)

in 2013 and \$419,861 in 2012. In addition, Bill Gates contributed third-party management fees as described in note 2(e). Contributions from unrelated parties are only accepted by the Trust if they are unrestricted. From time to time, the Trust is notified that it has been named as the beneficiary in the estate of certain individuals under revocable agreements. Such amounts are recorded as contributions upon the passing of the donor and the amounts become irrevocable.

(i) *Reclassifications*

Certain reclassifications have been made to the 2012 balances to conform to the 2013 presentation of investment assets. These reclassifications had no effect on the change in net assets in 2012 or total net assets at December 31, 2012.

(j) *Recently Adopted Accounting Guidance*

The Trust adopted accounting guidance regarding enhanced disclosures about certain financial assets and liabilities that are subject to enforceable master netting agreements, effective January 1, 2013. The guidance was originally issued by the Financial Accounting Standards Board (FASB) in December 2011 and clarified by the FASB in January 2013, effective January 1, 2013 with retroactive presentation required for 2012. The application of this guidance had no impact on the change in net assets in 2012 or net assets at December 31, 2012. See notes 3 and 4 for further information.

The Trust also adopted accounting guidance regarding the classification in the statements of cash flows for sale proceeds of donated securities that are sold upon receipt. The guidance was issued by the FASB in October 2012 and adopted by the Trust effective January 1, 2013. The application of this guidance had no impact on the Trust's financial statements for the year ended December 31, 2012.

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Notes to Financial Statements

December 31, 2013 and 2012

(Dollars in thousands)

(3) Investments

The Trust's investments, including placement in the fair value hierarchy of assets and liabilities that are measured at fair value on a recurring basis, are presented in the following tables:

<u>At December 31, 2013</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Gross fair value</u>	<u>Netting*</u>	<u>Net fair value</u>
Cash equivalents	\$ 507	174,666	—	175,173	—	175,173
Equities:						
Berkshire Hathaway "B" shares	9,726,639	—	—	9,726,639	—	9,726,639
Consumer goods	7,005,493	1,250	—	7,006,743	—	7,006,743
Energy	1,353,802	—	—	1,353,802	—	1,353,802
Financials	970,731	—	—	970,731	—	970,731
Healthcare	416,248	—	—	416,248	—	416,248
Industrials	5,003,112	1,889	230	5,005,231	—	5,005,231
Information technology	957,064	—	—	957,064	—	957,064
Materials	1,519,024	—	—	1,519,024	—	1,519,024
Telecommunications and utilities	619,539	—	—	619,539	—	619,539
Other	15,368	84	—	15,452	—	15,452
Debt:						
U.S. government securities	\$ 6,399,588	158,767	—	6,558,355	—	6,558,355
U.S. municipals	—	12,817	—	12,817	—	12,817
Foreign government securities	—	1,534,792	—	1,534,792	—	1,534,792
Corporate debt securities	—	2,206,182	—	2,206,182	—	2,206,182
Mortgage-backed securities	—	400,802	105	400,907	—	400,907
Other debt securities	—	261,318	379	261,697	—	261,697
Commingled	276,338	64,904	—	341,242	—	341,242
Derivative contracts	5,389	238,888	—	244,277	(79,490)	164,787
Private investments	—	57,608	1,124,746	1,182,354	—	1,182,354
Total investment assets	\$ <u>34,268,842</u>	<u>5,113,967</u>	<u>1,125,460</u>	<u>40,508,269</u>	<u>(79,490)</u>	<u>40,428,779</u>
Derivative liabilities	\$ 333	119,714	—	120,047	(79,490)	40,557

*Represents the netting allowed under legally enforceable master netting agreements for over-the-counter derivatives.

Unfunded commitments related to Private Investments as of December 31, 2013 were \$457,100.

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Notes to Financial Statements

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(Dollars in thousands)

<u>At December 31, 2012</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Gross fair value</u>	<u>Netting*</u>	<u>Net fair value</u>
Cash equivalents	\$ 161,491	633,361	—	794,852	—	794,852
Equities:						
Berkshire Hathaway “B” shares	7,811,199	—	—	7,811,199	—	7,811,199
Consumer goods	6,758,183	3,031	—	6,761,214	—	6,761,214
Energy	1,117,350	—	—	1,117,350	—	1,117,350
Financials	1,147,377	15	—	1,147,392	—	1,147,392
Healthcare	347,996	—	—	347,996	—	347,996
Industrials	3,872,531	944	62	3,873,537	—	3,873,537
Information technology	927,678	—	—	927,678	—	927,678
Materials	1,335,726	—	—	1,335,726	—	1,335,726
Telecommunications and utilities	748,346	—	—	748,346	—	748,346
Other	6,915	722	—	7,637	—	7,637
Debt:						
U.S. government securities	5,023,866	211,802	—	5,235,668	—	5,235,668
U.S. municipals	—	11,586	—	11,586	—	11,586
Foreign government securities	—	1,762,426	—	1,762,426	—	1,762,426
Corporate debt securities	—	2,059,106	—	2,059,106	—	2,059,106
Mortgage-backed securities	—	469,471	130	469,601	—	469,601
Other debt securities	—	255,682	400	256,082	—	256,082
Commingled	183,472	51,285	—	234,757	—	234,757
Derivative contracts	20,414	300,562	—	320,976	(102,943)	218,033
Private investments	—	542,590	833,382	1,375,972	—	1,375,972
Total investment assets	\$ <u>29,462,544</u>	<u>6,302,583</u>	<u>833,974</u>	<u>36,599,101</u>	<u>(102,943)</u>	<u>36,496,158</u>
Derivative liabilities	\$ 11,553	121,079	—	132,632	(102,943)	29,689

*Represents the netting allowed under legally enforceable master netting agreements for over-the-counter derivatives.

As of December 31, 2012, the Trust participated in securities lending transactions with a third-party investment company whereby the Trust loaned certain investments in exchange for a premium. The Trust received collateral of a value at least equal to 102% of the fair value of loaned domestic investments and accrued interest, if any. When the program ended in 2013, the borrower returned the outstanding investments loaned by the Trust and the Trust returned the related collateral to the borrower. There were no securities on loan as of December 31, 2013. At December 21, 2012, the fair value of investments on loan was \$85,245. These investments are included in Level 1 U.S. government securities in the table above. Amounts received as collateral totaled \$87,290 and are recorded as a payable under investment loan agreements in the accompanying 2012 statement of financial position.

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Notes to Financial Statements

December 31, 2013 and 2012

(Dollars in thousands)

Investment income comprises the following for the years ended December 31, 2013 and 2012:

	<u>2013</u>	<u>2012</u>
Interest and dividend income	\$ 579,120	597,580
Net realized and unrealized gains on investments	5,587,050	3,989,792
Other investment (expense) income	(7,130)	31,854
Investment expenses:		
Investment management expenses	(447,980)	(397,338)
Other investment expenses	<u>(22,177)</u>	<u>(19,964)</u>
Investment income, net	<u>\$ 5,688,883</u>	<u>4,201,924</u>

The following is a reconciliation of investments in which significant unobservable inputs (Level 3) were used in determining fair value for 2013 and 2012:

	<u>Balance as of December 31, 2012</u>	<u>Net realized and unrealized gains (losses)</u>	<u>Purchases</u>	<u>Proceeds</u>	<u>Gross transfers in (out)</u>	<u>Balance as of December 31, 2013</u>
Equities:						
Consumer goods	\$ —	656	—	—	(656)	—
Industrials	62	(16)	—	(46)	230	230
Debt:						
Mortgage-backed securities	130	(11)	—	(14)	—	105
Other debt securities	400	(2)	426	(445)	—	379
Private investments	<u>833,382</u>	<u>153,232</u>	<u>227,518</u>	<u>(89,386)</u>	<u>—</u>	<u>1,124,746</u>
	<u>\$ 833,974</u>	<u>153,859</u>	<u>227,944</u>	<u>(89,891)</u>	<u>(426)</u>	<u>1,125,460</u>

	<u>Balance as of December 31, 2011</u>	<u>Net realized and unrealized gains (losses)</u>	<u>Purchases</u>	<u>Proceeds</u>	<u>Transfers</u>	<u>Balance as of December 31, 2012</u>
Equities:						
Industrials	\$ 63	(1)	—	—	—	62
Other	13,420	(5,059)	94	(8,455)	—	—
Debt:						
Corporate debt securities	4,548	—	—	(4,548)	—	—
Mortgage-backed securities	150	8	40	(68)	—	130
Other debt securities	416	2	—	(18)	—	400
Private investments	<u>981,359</u>	<u>129,252</u>	<u>112,413</u>	<u>(389,642)</u>	<u>—</u>	<u>833,382</u>
	<u>\$ 999,956</u>	<u>124,202</u>	<u>112,547</u>	<u>(402,731)</u>	<u>—</u>	<u>833,974</u>

The Trust records transfers to or from Level 3 as of December 31, the end of the reporting period. Unrealized gains included in investment income related to Level 3 assets held as of December 31, 2013 totaled \$153,391. Unrealized gains included in investment income related to Level 3 assets held as of December 31, 2012 totaled \$124,151.

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Notes to Financial Statements

December 31, 2013 and 2012

(Dollars in thousands)

Given the longer-term nature of private investments, many of those holdings could not be liquidated immediately in the unlikely event that such a need were to arise for the Trust. The majority of the private investments held on December 31, 2013 and 2012 require general partner or managing member approval for an early redemption or transfer of ownership and a 10-90 day waiting period to liquidate the investment, and certain holdings require that membership not exceed a certain number of owners, which could also delay the Trust's ability to transfer its ownership. The decision to invest in private investments includes consideration of the liquidation limitations as well as expected long-term funding requirements of the Foundation.

(4) Derivative Financial Instruments

In the normal course of business, the Trust uses various financial instruments, including derivative financial instruments, in an effort to manage exposure on long-term investments.

In order to manage price and interest rate risk associated with investing activities, the Trust primarily uses a combination of forward contracts and futures. Under these instruments, the Trust agrees to the future delivery of a currency or security, on an agreed-upon date, and at an agreed-upon price. These contracts are entered into with the intent of minimizing the Trust's economic exposure to adverse fluctuations in financial or currency markets and to reduce interest rate risk.

The Trust also enters into derivative instruments for speculative and other purposes, including income enhancement and as an alternative to ownership of the underlying asset. Specifically, written options and forward contracts are used for enhancing returns on other investments and as an alternative to ownership.

The Trust nets derivative asset positions and derivative liability positions under legally enforceable master netting agreements. The Trust's net derivative asset positions are included within investments on the accompanying statements of financial position. The Trust's net derivative liability positions are included in the payable for investment purchases and other on the accompanying statements of financial position. Realized gains and losses as well as changes in fair value for all derivative instruments are included as a component of investment income.

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(Dollars in thousands)

The fair values of forward contracts, futures, options, and swaps as of December 31, 2013 and 2012 are as follows:

	At December 31, 2013	
	Gross derivative asset	Gross derivative liabilities
Forward contracts	\$ 238,888	(118,606)
Futures	4,971	(144)
Options	418	(189)
Swaps	—	(1,108)
Total	<u>244,277</u>	<u>(120,047)</u>
Netting offset*	<u>(79,490)</u>	<u>79,490</u>
Net amount presented in statement of financial position	164,787	(40,557)
Noncash collateral**	<u>(156,829)</u>	<u>38,723</u>
Net amount	<u>\$ 7,958</u>	<u>(1,834)</u>
	At December 31, 2012	
	Gross derivative asset	Gross derivative liabilities
Forward contracts	\$ 257,177	(67,332)
Futures	20,257	(11,553)
Options	157	—
Swaps	43,385	(53,747)
Total	<u>320,976</u>	<u>(132,632)</u>
Netting offset*	<u>(102,943)</u>	<u>102,943</u>
Net amount presented in statement of financial position	218,033	(29,689)
Noncash collateral**	<u>(183,929)</u>	<u>17,903</u>
Net amount	<u>\$ 34,104</u>	<u>(11,786)</u>

*Represents the netting allowed under legally enforceable master netting agreements for over-the-counter derivatives.

**These amounts relate only to over-the-counter derivatives.

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Outstanding notional purchases and sales were as follows:

	December 31, 2013		December 31, 2012	
	Purchases	Sales	Purchases	Sales
Forward contracts	\$ 5,343,858	2,638,251	6,075,092	5,380,737
Futures	931,150	4,123,250	1,347,357	2,745,331
Options	257	550	785	—
Swaps	12,141	—	301,385	344,570

The Trust's derivative instruments involve varying degrees of risk of loss in excess of the amount recognized in the statements of financial position, arising either from potential changes in market prices or the possible inability of counterparties to meet the terms of their contracts. The Trust monitors the financial condition of the firms used for these contracts in order to minimize the risk of loss. Management believes the Trust's use of derivatives does not result in credit or market risk that would materially affect the Trust's financial statements.

(5) Federal Excise Taxes

The Trust is subject to federal excise taxes imposed on private foundations at 2%, or at 1% if certain conditions are met. The excise tax is imposed on net investment income, as defined under federal law, which includes interest, dividends, and net realized gains on the sale of investments. The Trust qualified for a 1% excise tax rate for the years ended December 31, 2013 and 2012. The current portion of excise tax expense is \$44,648 and \$39,852 for the years ended December 31, 2013 and 2012, respectively.

The Trust made provisions for deferred excise taxes, which were recorded at the 1% excise tax rate in 2013 and 2012. Deferred excise tax expense was \$32,637 and \$27,447 for the years ended December 31, 2013 and 2012, respectively, resulting from net unrealized gains on investments.

(6) Commitments and Contingencies

In the ordinary course of business, the Trust is subject to certain legal actions. In the opinion of management, such matters will not have a material effect on the financial position of the Trust.

(7) Related Parties

The Trust holds and invests assets to fund a related party, the Foundation. The Trust makes annual grants to the Foundation as necessary to carry out the Foundation's charitable goals. Neither entity controls the other; however, they share two trustees in common. In 2013 and 2012, the Trust made grants to the Foundation totaling \$4,108,470 and \$3,873,050, respectively.

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(8) Conditional Pledge Receivable

The Trust recognizes conditional promises to give as revenues when the conditions are met. On June 26, 2006, Warren Buffett, a Trustee of the Foundation, pledged to the Trust 10 million shares (500 million split-adjusted*) of Berkshire Hathaway “B” shares. The shares will be transferred in annual gifts of 5% of the remaining balance of the earmarked shares. Contributions from Mr. Buffett in 2013 and in prior years are as follows:

Berkshire Hathaway “B” shares contributed*		
Date	Shares	Value
August 24, 2006 – July 1, 2008	71,313	\$ 5,165,776
July, 2009	21,434	1,248,770
July, 2010	20,363	1,604,577
July, 2011	19,344	1,497,459
July, 2012	18,377	1,515,851
July, 2013	17,458	2,013,559
Total to date*	168,289	\$ 13,045,992

* On January 21, 2010, Berkshire Hathaway “B” shares split 50:1. All shares received prior to this date and the total shares received to date have been converted to reflect this split.

Although Mr. Buffett did not designate any significant restrictions on the use of the contributions, he did place three conditions on his remaining pledge:

- (1) At least one of Bill or Melinda Gates must remain alive and active in the policy-setting and administration of the Foundation.
- (2) The Trust must continue to satisfy legal requirements qualifying his gift as charitable and not subject to gift or other taxes.
- (3) The value of his annual gift must be fully additive to the spending required by the Internal Revenue Code (i.e., approximately 5% of the Trust’s net assets). The additional spending required as a condition of the gift will be based on the prior year’s contribution.

As this gift is conditional and the conditions cannot be satisfied in advance of each year’s installment of the gift, a receivable for the remaining contribution has not been reflected in the financial statements. Rather, future contribution income will be recognized in annual installments as the conditions of the gift are met.

(9) Subsequent Events

The Trust evaluated subsequent events from December 31, 2013 through April 30, 2014, the date on which the financial statements were available to be issued, and determined that no additional disclosures are required.