

The Kresge Foundation (A Michigan Trustee Corporation)

## STATEMENTS OF INCOME, EXPENDITURES, AND

CHANGES IN UNRESTRICTED NET ASSETS for the years ended December 31, 2007 and 2006

	2007	2006
Interest income	\$ 10,112,216	\$ 17,941,899
Dividend income	15,566,707	13,209,444
Investment management fees	(6,311,782)	(5,656,812)
Federal excise tax expense and other	(11,558,118)	(4,435,617)
<b>Net investment income</b>	<b>7,809,023</b>	<b>21,058,914</b>
Grants approved — net of discount	183,006,183	138,376,051
Administrative expenses	14,306,148	10,498,679
<b>Grants and expenses in excess of income</b>	<b>(189,503,308)</b>	<b>(127,815,816)</b>
Net realized gains on investments	144,647,429	252,539,718
Change in net unrealized market appreciation/depreciation of investments	44,371,199	3,516,096
Equity income of alternative investments	490,621,438	152,541,840
<b>Change in unrestricted net assets before change in accounting principle</b>	<b>490,136,758</b>	<b>280,781,838</b>
Adjustment to initially apply FASB Statement No. 158	1,386,630	
<b>Net change in unrestricted net assets</b>	<b>488,750,128</b>	<b>280,781,838</b>
Unrestricted net assets:		
Beginning of year	3,138,421,826	2,857,639,988
<b>End of year</b>	<b>\$ 3,627,171,954</b>	<b>\$ 3,138,421,826</b>