

Return of Organization Exempt From Income Tax

2005

Department of the Treasury
Internal Revenue Service

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)

Open to Public Inspection

The organization may have to use a copy of this return to satisfy state reporting requirements.

A For the 2005 calendar year, or tax year beginning OCT 1, 2005 **and ending** SEP 30, 2006

B Check if applicable: Address change, Name change, Initial return, Final return, Amended return, Application pending

C Name of organization THE CRADLE

D Employer identification number 36-2181994

E Telephone number 847-475-5800

F Accounting method Cash Accrual (Other (specify))

Please use IRS label or print or type See Specific Instructions

Number and street (or P.O. box if mail is not delivered to street address) Room/suite
2049 RIDGE AVENUE

City or town, state or country, and ZIP + 4
EVANSTON, IL 60201

Section 501(c)(3) organizations and 4947(a)(1) nonexempt charitable trusts must attach a completed Schedule A (Form 990 or 990-EZ).

H and I are not applicable to section 527 organizations.

H(a) Is this a group return for affiliates? Yes No

H(b) If "Yes," enter number of affiliates N/A

H(c) Are all affiliates included? N/A Yes No (If "No," attach a list.)

H(d) Is this a separate return filed by an organization covered by a group ruling? Yes No

I Group Exemption Number N/A

G Website: WWW.CRADLE.ORG

J Organization type (check only one) 501(c)(3) (insert no) 4947(a)(1) or 527

K Check here if the organization's gross receipts are normally not more than \$25,000. The organization need not file a return with the IRS; but if the organization chooses to file a return, be sure to file a complete return. **Some states require a complete return.**

L Gross receipts: Add lines 6b, 8b, 9b, and 10b to line 12 5,857,128.

Part I Revenue, Expenses, and Changes in Net Assets or Fund Balances

1 Contributions, gifts, grants, and similar amounts received:					
a	Direct public support	1a	<u>169,201.</u>		
b	Indirect public support	1b	<u>2,848,471.</u>		
c	Government contributions (grants)	1c	<u>339,682.</u>		
d	Total (add lines 1a through 1c) (cash \$ <u>3,284,775.</u> noncash \$ <u>72,579.</u>)	1d		<u>3,357,354.</u>	
2	Program service revenue including government fees and contracts (from Part VII, line 93)	2		<u>2,493,001.</u>	
3	Membership dues and assessments	3			
4	Interest on savings and temporary cash investments	4			
5	Dividends and interest from securities	5			
6 a	Gross rents	6a			
b	Less: rental expenses	6b			
c	Net rental income or (loss) (subtract line 6b from line 6a)	6c			
7	Other investment income (describe <u> </u>)	7			
8 a	Gross amount from sales of assets other than inventory	(A) Securities		(B) Other	
b	Less: cost or other basis and sales expenses	8a			
c	Gain or (loss) (attach schedule)	8b			
d	Net gain or (loss) (combine line 8c, columns (A) and (B))	8c			
8d					
9	Special events and activities (attach schedule). If any amount is from gaming, check here <input type="checkbox"/>				
a	Gross revenue (not including \$ <u> </u> of contributions reported on line 1a)	9a			
b	Less: direct expenses other than fundraising expenses	9b			
c	Net income or (loss) from special events (subtract line 9b from line 9a)	9c			
10 a	Gross sales of inventory, less returns and allowances	10a			
b	Less: cost of goods sold	10b			
c	Gross profit or (loss) from sales of inventory (attach schedule) (subtract line 10b from line 10a)	10c			
11	Other revenue (from Part VII, line 103)	11		<u>6,773.</u>	
12	Total revenue (add lines 1d, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11)	12		<u>5,857,128.</u>	
13	Program services (from line 44, column (B))	13		<u>5,507,836.</u>	
14	Management and general (from line 44, column (C))	14		<u>253,912.</u>	
15	Fundraising (from line 44, column (D))	15		<u>5,550.</u>	
16	Payments to affiliates (attach schedule)	16			
17	Total expenses (add lines 16 and 44, column (A))	17		<u>5,767,298.</u>	
18	Excess or (deficit) for the year (subtract line 17 from line 12)	18		<u>89,830.</u>	
19	Net assets or fund balances at beginning of year (from line 73, column (A))	19		<u>19,027,884.</u>	
20	Other changes in net assets or fund balances (attach explanation)	20		<u>1,387,567.</u>	
21	Net assets or fund balances at end of year (combine lines 18, 19, and 20)	21		<u>20,505,281.</u>	

SCANNED APR 16 2007

RECEIVED APR 10 2007

Part II Statement of Functional Expenses

All organizations must complete column (A). Columns (B), (C), and (D) are required for section 501(c)(3) and (4) organizations and section 4947(a)(1) nonexempt charitable trusts but optional for others.

Do not include amounts reported on line 6b, 8b, 9b, 10b, or 16 of Part I.	(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
22 Grants and allocations (attach schedule) (cash \$ <u>0</u> . noncash \$ <u>0</u> . If this amount includes foreign grants, check here <input type="checkbox"/> 22				
23 Specific assistance to individuals (attach schedule) 23				
24 Benefits paid to or for members (attach schedule) 24				
25 Compensation of officers, directors, etc ** 25	298,022.	269,175.	28,847.	0.
26 Other salaries and wages 26	2,542,649.	2,460,063.	82,586.	
27 Pension plan contributions 27	36,829.	38,976.	<2,147.>	
28 Other employee benefits 28	376,308.	366,374.	9,934.	
29 Payroll taxes 29	194,513.	188,195.	6,318.	
30 Professional fundraising fees 30				
31 Accounting fees 31	25,060.	20,679.	4,381.	
32 Legal fees 32	136,265.	134,603.	1,662.	
33 Supplies 33	138,243.	132,904.	5,339.	
34 Telephone 34	53,900.	48,789.	5,111.	
35 Postage and shipping 35	32,677.	29,965.	2,712.	
36 Occupancy 36	153,711.	140,225.	13,486.	
37 Equipment rental and maintenance 37	82,009.	76,443.	5,566.	
38 Printing and publications 38				
39 Travel 39	72,195.	71,300.	895.	
40 Conferences, conventions, and meetings 40	15,608.	14,868.	740.	
41 Interest 41	213,186.	158,721.	54,465.	
42 Depreciation, depletion, etc. (attach schedule) 42	176,601.	137,657.	38,944.	
43 Other expenses not covered above (itemize):				
a _____ 43a				
b _____ 43b				
c _____ 43c				
d _____ 43d				
e _____ 43e				
f _____ 43f				
g SEE STATEMENT 2 43g	1,219,522.	1,218,899.	<4,927.>	5,550.
44 Total functional expenses. Add lines 22 through 43. (Organizations completing columns (B)-(D), carry these totals to lines 13-15) 44	5,767,298.	5,507,836.	253,912.	5,550.

Joint Costs. Check if you are following SOP 98-2.

Are any joint costs from a combined educational campaign and fundraising solicitation reported in (B) Program services? Yes No

If "Yes," enter (i) the aggregate amount of these joint costs \$ N/A ; (ii) the amount allocated to Program services \$ N/A ;

(iii) the amount allocated to Management and general \$ N/A ; and (iv) the amount allocated to Fundraising \$ N/A

** SEE STATEMENT 3

Part III Statement of Program Service Accomplishments (See the instructions.)

Form 990 is available for public inspection and, for some people, serves as the primary or sole source of information about a particular organization. How the public perceives an organization in such cases may be determined by the information presented on its return. Therefore, please make sure the return is complete and accurate and fully describes, in Part III, the organization's programs and accomplishments.

What is the organization's primary exempt purpose? ADOPTION AGENCY	Program Service Expenses (Required for 501(c)(3) and (4) orgs., and 4947(a)(1) trusts; but optional for others.)
All organizations must describe their exempt purpose achievements in a clear and concise manner. State the number of clients served, publications issued, etc. Discuss achievements that are not measurable. (Section 501(c)(3) and (4) organizations and 4947(a)(1) nonexempt charitable trusts must also enter the amount of grants and allocations to others)	
a SOCIAL SERVICES-SEE ATTACHED	
(Grants and allocations \$) If this amount includes foreign grants, check here <input type="checkbox"/>	<u>3,150,882.</u>
b NURSERY-SEE ATTACHED	
(Grants and allocations \$) If this amount includes foreign grants, check here <input type="checkbox"/>	<u>778,294.</u>
c OUTREACH AND COMMUNICATIONS-SEE ATTACHED	
(Grants and allocations \$) If this amount includes foreign grants, check here <input type="checkbox"/>	<u>976,108.</u>
d NEW VENTURES (\$204,772) AND ADOPTION LEARNING PARTNERS (\$397,780) - SEE ATTACHED	
(Grants and allocations \$) If this amount includes foreign grants, check here <input type="checkbox"/>	<u>602,552.</u>
e Other program services (attach schedule)	
(Grants and allocations \$) If this amount includes foreign grants, check here <input type="checkbox"/>	<u>5,507,836.</u>
f Total of Program Service Expenses (should equal line 44, column (B), Program services)	<u>5,507,836.</u>

Form 990 (2005)

Part IV Balance Sheets (See the instructions.)

Note: Where required, attached schedules and amounts within the description column should be for end-of-year amounts only.

		(A) Beginning of year		(B) End of year
Assets	45 Cash - non-interest-bearing	10,507.	45	101,064.
	46 Savings and temporary cash investments		46	
	47 a Accounts receivable	47a 388,280.		
	b Less: allowance for doubtful accounts	47b	183,677.	47c 388,280.
	48 a Pledges receivable	48a 373,494.		
	b Less: allowance for doubtful accounts	48b 9,450.	453,561.	48c 364,044.
	49 Grants receivable			49
	50 Receivables from officers, directors, trustees, and key employees			50
	51 a Other notes and loans receivable	51a		
	b Less: allowance for doubtful accounts	51b		51c
	52 Inventories for sale or use			52
	53 Prepaid expenses and deferred charges		171,545.	53 105,975.
	54 Investments - securities <input type="checkbox"/> Cost <input type="checkbox"/> FMV			54
	55 a Investments - land, buildings, and equipment: basis	55a		
	b Less: accumulated depreciation	55b		55c
	56 Investments - other			56
57 a Land, buildings, and equipment: basis	57a 6,625,245.			
b Less: accumulated depreciation	57b 2,438,553.	4,326,567.	57c 4,186,692.	
58 Other assets (describe <input type="checkbox"/> SEE STATEMENT 4)		19,490,191.	58 20,872,941.	
59 Total assets (must equal line 74). Add lines 45 through 58		24,636,048.	59 26,018,996.	
Liabilities	60 Accounts payable and accrued expenses		408,164.	60 310,615.
	61 Grants payable			61
	62 Deferred revenue			62 3,100.
	63 Loans from officers, directors, trustees, and key employees			63
	64 a Tax-exempt bond liabilities <input type="checkbox"/> STMT 5		5,200,000.	64a 5,200,000.
	b Mortgages and other notes payable			64b
	65 Other liabilities (describe <input type="checkbox"/>)			65
66 Total liabilities. Add lines 60 through 65)		5,608,164.	66 5,513,715.	
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 67 through 69 and lines 73 and 74.			
	67 Unrestricted		12,328,556.	67 12,084,711.
	68 Temporarily restricted		2,784,217.	68 3,132,234.
	69 Permanently restricted		3,915,111.	69 5,288,336.
	Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 70 through 74.			
	70 Capital stock, trust principal, or current funds			70
	71 Paid-in or capital surplus, or land, building, and equipment fund			71
	72 Retained earnings, endowment, accumulated income, or other funds			72
	73 Total net assets or fund balances (add lines 67 through 69 or lines 70 through 72; column (A) must equal line 19; column (B) must equal line 21)		19,027,884.	73 20,505,281.
	74 Total liabilities and net assets/fund balances. Add lines 66 and 73		24,636,048.	74 26,018,996.

Part IV-A Reconciliation of Revenue per Audited Financial Statements With Revenue per Return (See the instructions.)

a	Total revenue, gains, and other support per audited financial statements	a	3,218,419.
b	Amounts included on line a but not on Part I, line 12:		
1	Net unrealized gains on investments	b1	125,093.
2	Donated services and use of facilities	b2	86,141.
3	Recoveries of prior year grants	b3	
4	Other (specify): <u>SEE STATEMENT 6</u>	b4	<1,472.>
	Add lines b1 through b4	b	209,762.
c	Subtract line b from line a	c	3,008,657.
d	Amounts included on Part I, line 12, but not on line a :		
1	Investment expenses not included on Part I, line 6b	d1	
2	Other (specify): <u>SEE STATEMENT 7</u>	d2	2,848,471.
	Add lines d1 and d2	d	2,848,471.
e	Total revenue (Part I, line 12). Add lines c and d	e	5,857,128.

Part IV-B Reconciliation of Expenses per Audited Financial Statements With Expenses per Return

a	Total expenses and losses per audited financial statements	a	5,853,439.
b	Amounts included on line a but not on Part I, line 17:		
1	Donated services and use of facilities	b1	86,141.
2	Prior year adjustments reported on Part I, line 20	b2	
3	Losses reported on Part I, line 20	b3	
4	Other (specify): _____	b4	
	Add lines b1 through b4	b	86,141.
c	Subtract line b from line a	c	5,767,298.
d	Amounts included on Part I, line 17, but not on line a :		
1	Investment expenses not included on Part I, line 6b	d1	
2	Other (specify): _____	d2	
	Add lines d1 and d2	d	0.
e	Total expenses (Part I, line 17). Add lines c and d	e	5,767,298.

Part V-A Current Officers, Directors, Trustees, and Key Employees (List each person who was an officer, director, trustee, or key employee at any time during the year even if they were not compensated.) (See the instructions.)

(A) Name and address	(B) Title and average hours per week devoted to position	(C) Compensation (If not paid, enter -0-.)	(D) Contributions to employee benefit plans & deferred compensation plans	(E) Expense account and other allowances
JULIE TYE THE CRADLE 2049 RIDGE AVENUE EVANSTON, IL 60201	PRESIDENT 40.00	39,250.	9,938.	8,713.
MICHAEL PHENNER THE CRADLE 2049 RIDGE AVENUE EVANSTON, IL 60201	VP, NEW VENTURES 32.00	34,170.	6,420.	0.
MERRILEE HEPLER THE CRADLE 2049 RIDGE AVENUE EVANSTON, IL 60201	VP, HUMAN RESOURCES & ADMI 40.00	26,477.	5,526.	0.
LINDA HAGEMAN THE CRADLE 2049 RIDGE AVENUE EVANSTON, IL 60201	VP, SOCIAL SERVICES 40.00	99,838.	13,364.	0.
ELLEN GIUDICE THE CRADLE 2049 RIDGE AVENUE EVANSTON, IL 60201	VP, FINANCE 36.00	21,559.	3,042.	0.
JOAN JAEGER THE CRADLE 2049 RIDGE AVENUE EVANSTON, IL 60201	VP, MARKETING 40.00	23,003.	6,722.	0.
SEE SCHEDULE ATTACHED FOR NON-COMPENSATED BOARD OF DIRECTORS	0.00	0.	0.	0.

Part V-A Current Officers, Directors, Trustees, and Key Employees (continued)

Yes No

75 a Enter the total number of officers, directors, and trustees permitted to vote on organization business at board meetings 10
75 b Are any officers, directors, trustees, or key employees listed in Form 990, Part V-A, or highest compensated employees listed in Schedule A, Part I, or highest compensated professional and other independent contractors listed in Schedule A, Part II-A or II-B, related to each other through family or business relationships? If "Yes," attach a statement that identifies the individuals and explains the relationship(s) SEE STATEMENT 9 75b X
75 c Do any officers, directors, trustees, or key employees listed in Form 990, Part V-A, or highest compensated employees listed in Schedule A, Part I, or highest compensated professional and other independent contractors listed in Schedule A, Part II-A or II-B, receive compensation from any other organizations, whether tax exempt or taxable, that are related to this organization through common supervision or common control? SEE STATEMENT 10 75c X
Note. Related organizations include section 509(a)(3) supporting organizations.
If "Yes," attach a statement that identifies the individuals, explains the relationship between this organization and the other organization(s), and describes the compensation arrangements, including amounts paid to each individual by each related organization.
75 d Does the organization have a written conflict of interest policy? 75d X

Part V-B Former Officers, Directors, Trustees, and Key Employees That Received Compensation or Other Benefits (If any former officer, director, trustee, or key employee received compensation or other benefits (described below) during the year, list that person below and enter the amount of compensation or other benefits in the appropriate column. See the instructions.)

Table with 5 columns: (A) Name and address, (B) Loans and Advances, (C) Compensation, (D) Contributions to employee benefit plans & deferred compensation plans, (E) Expense account and other allowances. Row 1: NONE

Part VI Other Information (See the instructions.)

Yes No

76 Did the organization engage in any activity not previously reported to the IRS? If "Yes," attach a detailed description of each activity 76 X
77 Were any changes made in the organizing or governing documents but not reported to the IRS? If "Yes," attach a conformed copy of the changes. 77 X
78 a Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return? 78a X
78 b If "Yes," has it filed a tax return on Form 990-T for this year? N/A 78b
79 Was there a liquidation, dissolution, termination, or substantial contraction during the year? If "Yes," attach a statement 79 X
80 a Is the organization related (other than by association with a statewide or nationwide organization) through common membership, governing bodies, trustees, officers, etc., to any other exempt or nonexempt organization? 80a X
80 b If "Yes," enter the name of the organization SEE STATEMENT 8 and check whether it is [] exempt or [] nonexempt
81 a Enter direct or indirect political expenditures. (See line 81 instructions.) 81a 0
81 b Did the organization file Form 1120-POL for this year? 81b X

Part VI Other Information (continued)		Yes	No
82 a	Did the organization receive donated services or the use of materials, equipment, or facilities at no charge or at substantially less than fair rental value?		X
b	If "Yes," you may indicate the value of these items here. Do not include this amount as revenue in Part I or as an expense in Part II. (See instructions in Part III)		
	82b		86,141.
83 a	Did the organization comply with the public inspection requirements for returns and exemption applications?	X	
b	Did the organization comply with the disclosure requirements relating to quid pro quo contributions?		N/A
84 a	Did the organization solicit any contributions or gifts that were not tax deductible?		X
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		N/A
85	501(c)(4), (5), or (6) organizations. a Were substantially all dues nondeductible by members?		N/A
b	Did the organization make only in-house lobbying expenditures of \$2,000 or less? If "Yes" was answered to either 85a or 85b, do not complete 85c through 85h below unless the organization received a waiver for proxy tax owed for the prior year.		N/A
c	Dues, assessments, and similar amounts from members		85c N/A
d	Section 162(e) lobbying and political expenditures		85d N/A
e	Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices		85e N/A
f	Taxable amount of lobbying and political expenditures (line 85d less 85e)		85f N/A
g	Does the organization elect to pay the section 6033(e) tax on the amount on line 85f?		85g N/A
h	If section 6033(e)(1)(A) dues notices were sent, does the organization agree to add the amount on line 85f to its reasonable estimate of dues allocable to nondeductible lobbying and political expenditures for the following tax year?		85h N/A
86	501(c)(7) organizations. Enter: a Initiation fees and capital contributions included on line 12		86a N/A
b	Gross receipts, included on line 12, for public use of club facilities		86b N/A
87	501(c)(12) organizations Enter: a Gross income from members or shareholders		87a N/A
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)		87b N/A
88	At any time during the year, did the organization own a 50% or greater interest in a taxable corporation or partnership, or an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? If "Yes," complete Part IX		88 X
89 a	501(c)(3) organizations Enter: Amount of tax imposed on the organization during the year under section 4911 0.; section 4912 0.; section 4955 0.		
b	501(c)(3) and 501(c)(4) organizations Did the organization engage in any section 4958 excess benefit transaction during the year or did it become aware of an excess benefit transaction from a prior year? If "Yes," attach a statement explaining each transaction		89b X
c	Enter: Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958		0.
d	Enter: Amount of tax on line 89c, above, reimbursed by the organization		0.
90 a	List the states with which a copy of this return is filed IL		
b	Number of employees employed in the pay period that includes March 12, 2005	90b	69
91 a	The books are in care of ELLEN GIUDICE Telephone no. 847-475-5800 Located at 2049 RIDGE AVENUE, EVANSTON, IL ZIP + 4 60201		
b	At any time during the calendar year, did the organization have an interest in or a signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account)? If "Yes," enter the name of the foreign country N/A See the instructions for exceptions and filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.	91b	X
c	At any time during the calendar year, did the organization maintain an office outside of the United States? If "Yes," enter the name of the foreign country N/A	91c	X
92	Section 4947(a)(1) nonexempt charitable trusts filing Form 990 in lieu of Form 1041- Check here and enter the amount of tax-exempt interest received or accrued during the tax year	92	N/A

Part VII Analysis of Income-Producing Activities (See the instructions.)

Note: Enter gross amounts unless otherwise indicated.

	Unrelated business income		Excluded by section 512, 513, or 514		(E) Related or exempt function income
	(A) Business code	(B) Amount	(C) Exclu- sion code	(D) Amount	
93 Program service revenue:					
a SERVICE FEES					2,324,815.
b					
c					
d					
e					
f Medicare/Medicaid payments					
g Fees and contracts from government agencies					168,186.
94 Membership dues and assessments					
95 Interest on savings and temporary cash investments					
96 Dividends and interest from securities					
97 Net rental income or (loss) from real estate:					
a debt-financed property					
b not debt-financed property					
98 Net rental income or (loss) from personal property					
99 Other investment income					
100 Gain or (loss) from sales of assets other than inventory					
101 Net income or (loss) from special events					
102 Gross profit or (loss) from sales of inventory					
103 Other revenue:					
a MISCELLANEOUS REVENUE					6,773.
b					
c					
d					
e					
104 Subtotal (add columns (B), (D), and (E))		0.		0.	2,499,774.
105 Total (add line 104, columns (B), (D), and (E))					2,499,774.

Note: Line 105 plus line 1d, Part I, should equal the amount on line 12, Part I.

Part VIII Relationship of Activities to the Accomplishment of Exempt Purposes (See the instructions.)

Line No.	Explain how each activity for which income is reported in column (E) of Part VII contributed importantly to the accomplishment of the organization's exempt purposes (other than by providing funds for such purposes).
93A	FEES FOR PROVIDING ADOPTION AND POST-PLACEMENT SERVICES.
103A	OTHER REVENUE FROM ANCILLARY SERVICES.
93G	GRANT MONIES RECEIVED FOR THE HEALTHY BLACK INFANT PROGRAM.

Part IX Information Regarding Taxable Subsidiaries and Disregarded Entities (See the instructions.)

(A) Name, address, and EIN of corporation, partnership, or disregarded entity	(B) Percentage of ownership interest	(C) Nature of activities	(D) Total income	(E) End-of-year assets
N/A	%			
	%			
	%			
	%			

Part X Information Regarding Transfers Associated with Personal Benefit Contracts (See the instructions.)

(a) Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? Yes No

(b) Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? Yes No

Note: If "Yes" to (b), file Form 8870 and Form 4720 (see instructions)

Please Sign Here: Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Signature of officer: *[Signature]* Date: *3-22-07* Type or print name and title: *JULIE S. TYE, PRESIDENT*

Paid Preparer's Use Only: Preparer's signature: *[Signature]* Date: *3-21-07* Check if self-employed: Preparer's SSN or PTIN: *PO0595460*

Firm's name (or yours if self-employed), address, and ZIP + 4: **WARADY & DAVIS LLP**
1717 DEERFIELD ROAD, SUITE 300S
DEERFIELD, ILLINOIS 60015

EIN: *36-2170602* Phone no.: *(847)267-9600*

SCHEDULE A
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Organization Exempt Under Section 501(c)(3)

(Except Private Foundation) and Section 501(e), 501(f), 501(k),
501(n), or 4947(a)(1) Nonexempt Charitable Trust

Supplementary Information-(See separate instructions.)

▶ **MUST be completed by the above organizations and attached to their Form 990 or 990-EZ**

OMB No 1545-0047

2005

Name of the organization THE CRADLE	Employer identification number 36 2181994
-----------------------------------------------	-----------------------------------------------------

Part I Compensation of the Five Highest Paid Employees Other Than Officers, Directors, and Trustees

(See page 1 of the instructions. List each one. If there are none, enter "None.")

(a) Name and address of each employee paid more than \$50,000	(b) Title and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans & deferred compensation	(e) Expense account and other allowances
<u>VICKIE DUFOUR</u> THE CRADLE 2049 RIDGE AVENUE, EVANSTON, IL 60121	EXEC DIR, ADOPTION 32.00	83,984.	3,267.	
<u>VICTORIA BROOKS</u> THE CRADLE 2049 RIDGE AVENUE, EVANSTON, IL 60121	DIR NURSING 40.00	58,692.	7,885.	
<u>JUDY STIGGER</u> THE CRADLE 2049 RIDGE AVENUE, EVANSTON, IL 60121	DIR INT'L ADOPTION 40.00	54,896.	12,798.	
<u>SUSAN VERNON</u> THE CRADLE 2049 RIDGE AVENUE, EVANSTON, IL 60121	DIR FAMILY SVCS 40.00	63,275.	7,660.	
<u>JANE PAGE</u> THE CRADLE 2049 RIDGE AVENUE, EVANSTON, IL 60121	DIR AP CLINIC 40.00	60,401.	7,654.	
Total number of other employees paid over \$50,000 ▶	6			

Part II-A Compensation of the Five Highest Paid Independent Contractors for Professional Services

(See page 2 of the instructions. List each one (whether individuals or firms). If there are none, enter "None.")

(a) Name and address of each independent contractor paid more than \$50,000	(b) Type of service	(c) Compensation
<u>SUSAN GARNER EISENMAN</u> 3363 TREMONT ROAD, SUITE 304, COLUMBUS, OH 43221	LEGAL SERVICES	67,316.

Total number of others receiving over \$50,000 for professional services ▶	0	

Part II-B Compensation of the Five Highest Paid Independent Contractors for Other Services

(List each contractor who performed services other than professional services, whether individuals or firms. If there are none, enter "None." See page 2 of the instructions.)

(a) Name and address of each independent contractor paid more than \$50,000	(b) Type of service	(c) Compensation
<u>STARCOM WORLDWIDE</u> 12076 COLLECTIONS CENTER DRIVE, CHICAGO, IL 60693	MEDIA ADVERTISING	269,585.
<u>BOTTOMLINE MANAGEMENT/GRUEN MARKETING SERVICE</u> 14525 HIGHWAY 7, STE 102, MINNETONKA, MN 55345	YELLOW PAGE ADVERTISING	119,329.

Total number of other contractors receiving over \$50,000 for other services ▶	0	

Part III Statements About Activities (See page 2 of the instructions.)

	Yes	No
1 During the year, has the organization attempted to influence national, state, or local legislation, including any attempt to influence public opinion on a legislative matter or referendum? If "Yes," enter the total expenses paid or incurred in connection with the lobbying activities ► \$ _____ \$ _____ (Must equal amounts on line 38, Part VI-A, or line i of Part VI-B.) Organizations that made an election under section 501(h) by filing Form 5768 must complete Part VI-A. Other organizations checking "Yes" must complete Part VI-B AND attach a statement giving a detailed description of the lobbying activities.		X
2 During the year, has the organization, either directly or indirectly, engaged in any of the following acts with any substantial contributors, trustees, directors, officers, creators, key employees, or members of their families, or with any taxable organization with which any such person is affiliated as an officer, director, trustee, majority owner, or principal beneficiary? (If the answer to any question is "Yes," attach a detailed statement explaining the transactions.)		
a Sale, exchange, or leasing of property?		X
b Lending of money or other extension of credit?		X
c Furnishing of goods, services, or facilities?		X
d Payment of compensation (or payment or reimbursement of expenses if more than \$1,000)? SEE PART V-A, FORM 990	X	
e Transfer of any part of its income or assets?		X
3 a Do you make grants for scholarships, fellowships, student loans, etc.? (If "Yes," attach an explanation of how you determine that recipients qualify to receive payments.)		X
b Do you have a section 403(b) annuity plan for your employees?	X	
c During the year, did the organization receive a contribution of qualified real property interest under section 170(h)?		X
4 a Did you maintain any separate account for participating donors where donors have the right to provide advice on the use or distribution of funds?		X
b Do you provide credit counseling, debt management, credit repair, or debt negotiation services?		X

Part IV Reason for Non-Private Foundation Status (See pages 3 through 6 of the instructions.)

The organization is not a private foundation because it is: (Please check only **ONE** applicable box.)

- 5** A church, convention of churches, or association of churches. Section 170(b)(1)(A)(i).
- 6** A school. Section 170(b)(1)(A)(ii). (Also complete Part V.)
- 7** A hospital or a cooperative hospital service organization. Section 170(b)(1)(A)(iii).
- 8** A Federal, state, or local government or governmental unit. Section 170(b)(1)(A)(v).
- 9** A medical research organization operated in conjunction with a hospital. Section 170(b)(1)(A)(iii). Enter the hospital's name, city, and state ► _____
- 10** An organization operated for the benefit of a college or university owned or operated by a governmental unit. Section 170(b)(1)(A)(iv). (Also complete the **Support Schedule** in Part IV-A.)
- 11a** An organization that normally receives a substantial part of its support from a governmental unit or from the general public. Section 170(b)(1)(A)(vi). (Also complete the **Support Schedule** in Part IV-A.)
- 11b** A community trust. Section 170(b)(1)(A)(vi). (Also complete the **Support Schedule** in Part IV-A.)
- 12** An organization that normally receives: (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its charitable, etc., functions - subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See section 509(a)(2). (Also complete the **Support Schedule** in Part IV-A.)
- 13** An organization that is not controlled by any disqualified persons (other than foundation managers) and supports organizations described in: (1) lines 5 through 12 above; or (2) sections 501(c)(4), (5), or (6), if they meet the test of section 509(a)(2). Check the box that describes the type of supporting organization: ► Type 1 Type 2 Type 3

Provide the following information about the supported organizations. (See page 6 of the instructions.)

(a) Name(s) of supported organization(s)	(b) Line number from above

14 An organization organized and operated to test for public safety. Section 509(a)(4). (See page 6 of the instructions.)

Part IV-A Support Schedule (Complete only if you checked a box on line 10, 11, or 12.) Use cash method of accounting.
 Note: You may use the worksheet in the instructions for converting from the accrual to the cash method of accounting

Calendar year (or fiscal year beginning in)	(a) 2004	(b) 2003	(c) 2002	(d) 2001	(e) Total
15 Gifts, grants, and contributions received. (Do not include unusual grants. See line 28.)	2,537,622.	2,079,187.	1,718,967.	1,786,803.	8,122,579.
16 Membership fees received					
17 Gross receipts from admissions, merchandise sold or services performed, or furnishing of facilities in any activity that is related to the organization's charitable, etc., purpose	2,258,575.	2,178,183.	2,411,831.	1,886,907.	8,735,496.
18 Gross income from interest, dividends, amounts received from payments on securities loans (section 512(a)(5)), rents, royalties, and unrelated business taxable income (less section 511 taxes) from businesses acquired by the organization after June 30, 1975	141.	80,389.	116,264.	298,185.	494,979.
19 Net income from unrelated business activities not included in line 18					
20 Tax revenues levied for the organization's benefit and either paid to it or expended on its behalf					
21 The value of services or facilities furnished to the organization by a governmental unit without charge. Do not include the value of services or facilities generally furnished to the public without charge					
22 Other income. Attach a schedule. Do not include gain or (loss) from sale of capital assets	46,257.	39,831.	SEE STATEMENT 11 6,316.	1,087.	93,491.
23 Total of lines 15 through 22	4,842,595.	4,377,590.	4,253,378.	3,972,982.	17,446,545.
24 Line 23 minus line 17	2,584,020.	2,199,407.	1,841,547.	2,086,075.	8,711,049.
25 Enter 1% of line 23	48,426.	43,776.	42,534.	39,730.	
26 Organizations described on lines 10 or 11: a Enter 2% of amount in column (e), line 24					26a 174,221.
b Prepare a list for your records to show the name of and amount contributed by each person (other than a governmental unit or publicly supported organization) whose total gifts for 2001 through 2004 exceeded the amount shown in line 26a. Do not file this list with your return. Enter the total of all these excess amounts					26b 366,517.
c Total support for section 509(a)(1) test: Enter line 24, column (e)					26c 8,711,049.
d Add: Amounts from column (e) for lines: 18 494,979. 19 _____ 22 93,491. 26b 366,517.					26d 954,987.
e Public support (line 26c minus line 26d total)					26e 7,756,062.
f Public support percentage (line 26e (numerator) divided by line 26c (denominator))					26f 89.0371%
27 Organizations described on line 12: a For amounts included in lines 15, 16, and 17 that were received from a "disqualified person," prepare a list for your records to show the name of, and total amounts received in each year from, each "disqualified person." Do not file this list with your return. Enter the sum of such amounts for each year: N/A	(2004)	(2003)	(2002)	(2001)	
b For any amount included in line 17 that was received from each person (other than "disqualified persons"), prepare a list for your records to show the name of, and amount received for each year, that was more than the larger of (1) the amount on line 25 for the year or (2) \$5,000. (Include in the list organizations described in lines 5 through 11b, as well as individuals.) Do not file this list with your return. After computing the difference between the amount received and the larger amount described in (1) or (2), enter the sum of these differences (the excess amounts) for each year: N/A	(2004)	(2003)	(2002)	(2001)	
c Add: Amounts from column (e) for lines: 15 _____ 16 _____ 17 _____ 20 _____ 21 _____					27c N/A
d Add: Line 27a total _____ and line 27b total _____					27d N/A
e Public support (line 27c total minus line 27d total)					27e N/A
f Total support for section 509(a)(2) test: Enter amount on line 23, column (e)					27f N/A
g Public support percentage (line 27e (numerator) divided by line 27f (denominator))					27g N/A %
h Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator))					27h N/A %

28 Unusual Grants: For an organization described in line 10, 11, or 12 that received any unusual grants during 2001 through 2004, prepare a list for your records to show, for each year, the name of the contributor, the date and amount of the grant, and a brief description of the nature of the grant. Do not file this list with your return. Do not include these grants in line 15.

Part V Private School Questionnaire (See page 7 of the instructions.)

N/A

(To be completed ONLY by schools that checked the box on line 6 in Part IV)

		Yes	No
29	Does the organization have a racially nondiscriminatory policy toward students by statement in its charter, bylaws, other governing instrument, or in a resolution of its governing body?		
30	Does the organization include a statement of its racially nondiscriminatory policy toward students in all its brochures, catalogues, and other written communications with the public dealing with student admissions, programs, and scholarships?		
31	Has the organization publicized its racially nondiscriminatory policy through newspaper or broadcast media during the period of solicitation for students, or during the registration period if it has no solicitation program, in a way that makes the policy known to all parts of the general community it serves? If "Yes," please describe; if "No," please explain. (If you need more space, attach a separate statement.)		
<hr/> <hr/> <hr/>			
32	Does the organization maintain the following:		
a	Records indicating the racial composition of the student body, faculty, and administrative staff?	32a	
b	Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis?	32b	
c	Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships?	32c	
d	Copies of all material used by the organization or on its behalf to solicit contributions? If you answered "No" to any of the above, please explain. (If you need more space, attach a separate statement.)	32d	
<hr/> <hr/>			
33	Does the organization discriminate by race in any way with respect to:		
a	Students' rights or privileges?	33a	
b	Admissions policies?	33b	
c	Employment of faculty or administrative staff?	33c	
d	Scholarships or other financial assistance?	33d	
e	Educational policies?	33e	
f	Use of facilities?	33f	
g	Athletic programs?	33g	
h	Other extracurricular activities? If you answered "Yes" to any of the above, please explain. (If you need more space, attach a separate statement.)	33h	
<hr/> <hr/>			
34 a	Does the organization receive any financial aid or assistance from a governmental agency?	34a	
b	Has the organization's right to such aid ever been revoked or suspended? If you answered "Yes" to either 34a or b, please explain using an attached statement.	34b	
35	Does the organization certify that it has complied with the applicable requirements of sections 4.01 through 4.05 of Rev. Proc. 75-50, 1975-2 C.B. 587, covering racial nondiscrimination? If "No," attach an explanation	35	

Part VI-A Lobbying Expenditures by Electing Public Charities (See page 9 of the instructions.)

N/A

(To be completed ONLY by an eligible organization that filed Form 5768)

Check a if the organization belongs to an affiliated group. Check b if you checked "a" and "limited control" provisions apply.

Limits on Lobbying Expenditures (The term "expenditures" means amounts paid or incurred.)		(a) Affiliated group totals	(b) To be completed for ALL electing organizations
		N/A	
36	Total lobbying expenditures to influence public opinion (grassroots lobbying)	36	
37	Total lobbying expenditures to influence a legislative body (direct lobbying)	37	
38	Total lobbying expenditures (add lines 36 and 37)	38	
39	Other exempt purpose expenditures	39	
40	Total exempt purpose expenditures (add lines 38 and 39)	40	
41	Lobbying nontaxable amount. Enter the amount from the following table -		
	If the amount on line 40 is -		
	Not over \$500,000		
	Over \$500,000 but not over \$1,000,000		
	Over \$1,000,000 but not over \$1,500,000		
	Over \$1,500,000 but not over \$17,000,000		
	Over \$17,000,000		
	The lobbying nontaxable amount is -		
	20% of the amount on line 40		
	\$100,000 plus 15% of the excess over \$500,000		
	\$175,000 plus 10% of the excess over \$1,000,000		
	\$225,000 plus 5% of the excess over \$1,500,000		
	\$1,000,000		
42	Grassroots nontaxable amount (enter 25% of line 41)	42	
43	Subtract line 42 from line 36. Enter -0- if line 42 is more than line 36	43	
44	Subtract line 41 from line 38. Enter -0- if line 41 is more than line 38	44	

Caution: If there is an amount on either line 43 or line 44, you must file Form 4720.

4-Year Averaging Period Under Section 501(h)

(Some organizations that made a section 501(h) election do not have to complete all of the five columns below. See the instructions for lines 45 through 50 on page 11 of the instructions.)

Calendar year (or fiscal year beginning in)	Lobbying Expenditures During 4-Year Averaging Period				N/A (e) Total
	(a) 2005	(b) 2004	(c) 2003	(d) 2002	
45	Lobbying nontaxable amount				0.
46	Lobbying ceiling amount (150% of line 45(e))				0.
47	Total lobbying expenditures				0.
48	Grassroots nontaxable amount				0.
49	Grassroots ceiling amount (150% of line 48(e))				0.
50	Grassroots lobbying expenditures				0.

Part VI-B Lobbying Activity by Nonelecting Public Charities

(For reporting only by organizations that did not complete Part VI-A) (See page 11 of the instructions.)

During the year, did the organization attempt to influence national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of:

- a Volunteers
- b Paid staff or management (Include compensation in expenses reported on lines c through h.)
- c Media advertisements
- d Mailings to members, legislators, or the public
- e Publications, or published or broadcast statements
- f Grants to other organizations for lobbying purposes
- g Direct contact with legislators, their staffs, government officials, or a legislative body
- h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any other means
- i Total lobbying expenditures (Add lines c through h)

Yes	No	Amount
	X	
	X	
	X	
	X	
	X	
	X	
	X	
	X	
		0.

If "Yes" to any of the above, also attach a statement giving a detailed description of the lobbying activities.

FORM 990	OTHER CHANGES IN NET ASSETS OR FUND BALANCES	STATEMENT	1
DESCRIPTION		AMOUNT	
CHANGE IN VALUE OF SPLIT INTEREST AGREEMENTS		<1,472.>	
UNREALIZED GAINS ON PERMANENTLY RESTRICTED INVESTMENTS		125,093.	
CHANGE IN BENEFICIAL INTEREST IN NET ASSETS OF FOUNDATION - UNRESTRICTED		<423,193.>	
CHANGE IN BENEFICIAL INTEREST IN NET ASSETS OF FOUNDATION - TEMP. RESTRICTED		439,007.	
CHANGE IN BENEFICIAL INTEREST IN NET ASSETS OF FOUNDATION - PERM. RESTRICTED		1,248,132.	
TOTAL TO FORM 990, PART I, LINE 20		1,387,567.	

FORM 990	OTHER EXPENSES			STATEMENT	2
DESCRIPTION	(A) TOTAL	(B) PROGRAM SERVICES	(C) MANAGEMENT AND GENERAL	(D) FUNDRAISING	
MEDICAL & PRENATAL CARE	160,514.	160,514.			
FOOD & BEVERAGE	4,371.	3,949.	422.		
CONSULTING	198,625.	221,354.	<22,729.>		
TEMPORARY HELP	24,627.	19,246.	5,381.		
EDUCATION & RESEARCH	126,478.	125,233.	1,245.		
OUTREACH & COMMUNICATIONS	504,934.	504,933.	1.		
MISCELLANEOUS	77,015.	71,946.	5,069.		
INVESTMENT AND BANK FEES	23,819.	20,657.	3,162.		
INSURANCE	67,029.	62,757.	4,272.		
HUMANITARIAN AID	16,439.	16,439.			
OTHER EVENT EXPENSES	1,021.	741.	280.		
ADMINISTRATION	28,294.	28,294.			
BAD DEBT LOSS	5,550.				5,550.
INTERNET	2,826.		2,826.		
ALLOCATION OF DEPRECIATION	<22,020.>	<17,164.>	<4,856.>		
TOTAL TO FM 990, LN 43	1,219,522.	1,218,899.	<4,927.>		5,550.

FORM 990

OFFICER COMPENSATION ALLOCATION
PART II, LINE 25

STATEMENT 3

NAME OF OFFICER, ETC.	COMPENSATION	EMPLOYEE BEN. PLANS	EXPENSE ACCOUNTS	TOTALS
JULIE TYE	39,250.	9,938.	8,713.	57,901.
A. PROGRAM SERVICES	31,302.	7,926.	6,949.	46,177.
B. MANAGEMENT AND GENERAL	7,948.	2,012.	1,764.	11,724.
C. FUNDRAISING				

NAME OF OFFICER, ETC.	COMPENSATION	EMPLOYEE BEN. PLANS	EXPENSE ACCOUNTS	TOTALS
MICHAEL PHENNER	34,170.	6,420.		40,590.
A. PROGRAM SERVICES	34,170.	6,420.		40,590.
B. MANAGEMENT AND GENERAL				
C. FUNDRAISING				

NAME OF OFFICER, ETC.	COMPENSATION	EMPLOYEE BEN. PLANS	EXPENSE ACCOUNTS	TOTALS
MERRILEE HEPLER	26,477.	5,526.		32,003.
A. PROGRAM SERVICES	21,115.	4,407.		25,522.
B. MANAGEMENT AND GENERAL	5,362.	1,119.		6,481.
C. FUNDRAISING				

NAME OF OFFICER, ETC.	COMPENSATION	EMPLOYEE BEN. PLANS	EXPENSE ACCOUNTS	TOTALS
LINDA HAGEMAN	99,838.	13,364.		113,202.
A. PROGRAM SERVICES	99,838.	13,364.		113,202.
B. MANAGEMENT AND GENERAL				
C. FUNDRAISING				

NAME OF OFFICER, ETC.	COMPENSATION	EMPLOYEE BEN. PLANS	EXPENSE ACCOUNTS	TOTALS
JOAN JAEGER	23,003.	6,722.		29,725.
A. PROGRAM SERVICES	23,003.	6,722.		29,725.
B. MANAGEMENT AND GENERAL				
C. FUNDRAISING				

NAME OF OFFICER, ETC.	COMPENSATION	EMPLOYEE BEN. PLANS	EXPENSE ACCOUNTS	TOTALS
ELLEN GIUDICE	21,559.	3,042.		24,601.
A. PROGRAM SERVICES	17,193.	2,426.		19,619.
B. MANAGEMENT AND GENERAL	4,366.	616.		4,982.
C. FUNDRAISING				

TOTAL PROGRAM SERVICES				274,835.
TOTAL MANAGEMENT AND GENERAL				23,187.
TOTAL FUNDRAISING				
TOTAL OFFICER, ETC., COMPENSATION INCLUDED ON PARTS V-A AND V-B				<u>298,022.</u>

FORM 990

OTHER ASSETS

STATEMENT 4

DESCRIPTIONAMOUNT

BOND ISSUANCE COSTS	125,211.
ASSETS HELD IN REMAINDER TRUSTS	719,734.
BENEFICIAL INTEREST IN PERPETUAL TRUSTS	2,892,929.
BENEFICIAL INTEREST IN NET ASSETS OF FOUNDATION	17,135,067.
TOTAL TO FORM 990, PART IV, LINE 58, COLUMN B	20,872,941.

FORM 990 TAX-EXEMPT BOND LIABILITIES OUTSTANDING STATEMENT 5

PURPOSE OF ISSUE

SEE ATTACHMENT

USE BY THIRD PARTY	UNEXPENDED BOND PROCEEDS	AMOUNT OF ISSUE OUTSTANDING
NO	0.	5,200,000.

TOTAL INCLUDED ON FORM 990, PART IV, LINE 64A 5,200,000.

FORM 990 OTHER REVENUE NOT INCLUDED ON FORM 990 STATEMENT 6

DESCRIPTION	AMOUNT
CHANGE IN VALUE OF SPLIT INTEREST AGREEMENTS	<1,472.>
TOTAL TO FORM 990, PART IV-A	<1,472.>

FORM 990 OTHER REVENUE INCLUDED ON FORM 990 STATEMENT 7

DESCRIPTION	AMOUNT
INDIRECT SUPPORT FROM THE CRADLE FOUNDATION THROUGH CASH DISTRIBUTIONS	2,848,471.
TOTAL TO FORM 990, PART IV-A	2,848,471.

FORM 990 IDENTIFICATION OF RELATED ORGANIZATIONS PART VI, LINE 80B STATEMENT 8

NAME OF ORGANIZATION	EXEMPT	NONEXEMPT
THE CRADLE FOUNDATION	X	
CRADLE FAMILY RESOURCE CENTER	X	

FORM 990

EXPLANATION OF RELATIONSHIP
PART V-A, LINE 75B

STATEMENT 9

INDIVIDUAL'S NAME

TITLE OR ROLE

JOHN F. DIX

DIRECTOR

INDIVIDUAL'S NAME

TITLE OR ROLE

PAULA DIX

DIRECTOR

EXPLANATION OF RELATIONSHIP

MARRIED

INDIVIDUAL'S NAME

TITLE OR ROLE

ADDISON HOOF

DIRECTOR

INDIVIDUAL'S NAME

TITLE OR ROLE

ROSE ANN HOOF

DIRECTOR

EXPLANATION OF RELATIONSHIP

MARRIED

INDIVIDUAL'S NAME

TITLE OR ROLE

DAVID MASON

DIRECTOR

INDIVIDUAL'S NAME

TITLE OR ROLE

MARGARET MASON

DIRECTOR

EXPLANATION OF RELATIONSHIP

MARRIED

INDIVIDUAL'S NAME

TITLE OR ROLE

ARDYTHE SAYERS

DIRECTOR

INDIVIDUAL'S NAME

TITLE OR ROLE

GALE SAYERS

DIRECTOR

EXPLANATION OF RELATIONSHIP

MARRIED

INDIVIDUAL'S NAME

TITLE OR ROLE

PAUL UHLENHOP

DIRECTOR

INDIVIDUAL'S NAME

TITLE OR ROLE

VIRGINIA UHLENHOP

DIRECTOR

EXPLANATION OF RELATIONSHIP

MARRIED

FORM 990

PART V-A OFFICER COMPENSATION FROM
RELATED ORGANIZATIONS

STATEMENT 10

OFFICER'S NAME	COMPENSATION	EMPLOYEE BENEFIT PLAN CONTRIBUTION	EXPENSE ACCOUNT
JULIE TYE	119,963.	11,258.	
NAME OF RELATED ORGANIZATION		EMPLOYER ID NUMBER	
THE CRADLE FAMILY RESOURCE CENTERS, INC.		20-3161946	
RELATIONSHIP BETWEEN ORGANIZATIONS			
AFFILIATE			

OFFICER'S NAME	COMPENSATION	EMPLOYEE BENEFIT PLAN CONTRIBUTION	EXPENSE ACCOUNT
MERRILEE HEPLER	81,340.	5,347.	
NAME OF RELATED ORGANIZATION		EMPLOYER ID NUMBER	
THE CRADLE FAMILY RESOURCE CENTERS, INC.		20-3161946	
RELATIONSHIP BETWEEN ORGANIZATIONS			
AFFILIATE			

OFFICER'S NAME	COMPENSATION	EMPLOYEE BENEFIT PLAN CONTRIBUTION	EXPENSE ACCOUNT
JOAN JAEGER	66,725.	259.	
NAME OF RELATED ORGANIZATION		EMPLOYER ID NUMBER	
THE CRADLE FAMILY RESOURCE CENTERS, INC.		20-3161946	
RELATIONSHIP BETWEEN ORGANIZATIONS			
AFFILIATE			

OFFICER'S NAME	COMPENSATION	EMPLOYEE BENEFIT PLAN CONTRIBUTION	EXPENSE ACCOUNT
ELLEN GIUDICE	71,191.	11,616.	
NAME OF RELATED ORGANIZATION	EMPLOYER ID NUMBER		
THE CRADLE FAMILY RESOURCE CENTERS, INC.	20-3161946		
RELATIONSHIP BETWEEN ORGANIZATIONS			
AFFILIATE			

SCHEDULE A	OTHER INCOME			STATEMENT 11
DESCRIPTION	2004 AMOUNT	2003 AMOUNT	2002 AMOUNT	2001 AMOUNT
MISCELLANEOUS REVENUE	607.	661.	6,316.	1,087.
INT'L COST REIMBURSEMENT	45,650.	39,170.	0.	0.
TOTAL TO SCHEDULE A, LINE 22	46,257.	39,831.	6,316.	1,087.

The Cradle
EIN 36-2181994

Statement Attached to and Made Part of Form 990
Return of Organization Exempt from Income Tax
For the Year Ended September 30, 2006

Part III - Statement of Program Services Accomplishments

A. Social Services

The Cradle provides objective and professional counseling, education and support to persons affected by adoption. Through our **domestic adoption** programs, **birth parents** are offered decision-making counseling to help them evaluate their options to parent or to make an adoption plan. Last year nearly 800 expectant women contacted The Cradle to inquire about adoption services and more than half of those women met a birthparent counselor to discuss their options. During the past year 87 placements occurred in the domestic programs. **Adopting parents** are offered a comprehensive adoption preparation process that includes many hours of relevant education in addition to the traditional home study.

The Cradle undertakes extensive outreach within the Black community to recruit families for our black infants. The **Ardythe and Gale Sayers Center for African American Adoption** has been extremely successful; 34 of the current year domestic placements occurred in this program.

The Cradle also assists parents in the process of **International Adoption** and offers direct placement services through The Cradle's Russia program. Last year 138 children from 8 countries found permanent loving families through The Cradle, including 30 children adopted through The Cradle's Russia program.

The Illinois Department of Children and Family Services funds the **Family Placement and Support Services** program works with children who had previously been in the foster care system, who were successfully placed with permanent adoptive families, but who find themselves orphaned as a result of the death or incapacitation of their adoptive parent. Last year, this program served 99 families and 167 children throughout northern Illinois providing legal assistance to facilitate the new adoption as well as grief counseling, and practical assistance such as clothing, school supplies and beds to help these children recover from multiple losses and find the love an adoptive family once again.

Finally, The Cradle views adoption as a life-long process, not a singular event. Thus, our **Post Adoption Department** is available to all members of the adoption circle. This past year more than 1,500 individuals made inquiries to the post adoption services department, which provides individual and family counseling, offers educational workshops, and conducts family searches and reunions.

B. Nursery

Infants under the age of one year are often admitted to our on-site, 24-hour nursery while their birth parents make a final decision regarding their adoption vs. parenting plans. The **Nursery** is the only one of its kind in the United States. Last year the Nursery provided care for 98 infants, representing over 2,460 days of nursery care.

C. Outreach and Communications

The Cradle offers extensive public outreach, education and advocacy on behalf of adoption. Included are programs for high school students, seminars for health care and social service professionals, and ongoing contact with representatives from the print and electronic press.

D. New Ventures and Adoption Learning Partners

Through its New Ventures programs, The Cradle is committed to undertaking research in adoption and advocacy on behalf of the adoption circle in part with the Evan B. Donaldson Adoption Institute, expanding international adoption opportunities, and increasing access to adoption education through its interactive e-learning courses located on the Internet at www.AdoptionLearningPartners.org.

ELECTION STATEMENT

PURSUANT TO INTERNAL REVENUE CODE SECTION 461(H)(3) AND TREASURY REGULATION 1461-7(T) THE TAXPAYER HEREBY ADOPTS THE RECURRING ITEM EXCEPTION. THE EXCEPTION IS HEREBY ADOPTED FOR ALL TRADES OR BUSINESSES AND ALL ITEMS INCURRED IN SUCH TRADES OR BUSINESSES

Application for Extension of Time To File an Exempt Organization Return

OMB No. 1545-1709

▶ File a separate application for each return

- If you are filing for an **Automatic 3-Month Extension**, complete only **Part I** and check this box
 - If you are filing for an **Additional (not automatic) 3-Month Extension**, complete only **Part II** (on page 2 of this form).
- Do not complete Part II unless** you have already been granted an automatic 3-month extension on a previously filed Form 8868.

Part I Automatic 3-Month Extension of Time - Only submit original (no copies needed)

Form 990-T corporations requesting an automatic 6-month extension - check this box and complete Part I only

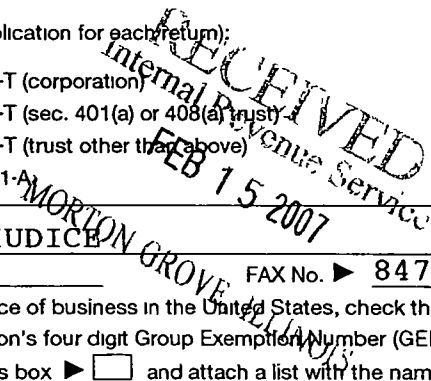
All other corporations (including Form 990-C filers) must use Form 7004 to request an extension of time to file income tax returns. Partnerships, REMICs, and trusts must use Form 8736 to request an extension of time to file Form 1065, 1066, or 1041.

Electronic Filing (e-file). Form 8868 can be filed electronically if you want a 3-month automatic extension of time to file one of the returns noted below (6 months for corporate Form 990-T filers) However, you cannot file it electronically if you want the additional (not automatic) 3-month extension, instead you must submit the fully completed signed page 2 (Part II) of Form 8868. For more details on the electronic filing of this form, visit www.irs.gov/efile

Type or print	Name of Exempt Organization THE CRADLE	Employer identification number 36-2181994
File by the due date for filing your return See instructions	Number, street, and room or suite no. If a P.O. box, see instructions. 2049 RIDGE AVENUE	
	City, town or post office, state, and ZIP code. For a foreign address, see instructions. EVANSTON, IL 60201	

Check type of return to be filed (file a separate application for each return):

- | | | |
|----------------------------------------------|-------------------------------------------------------------------|------------------------------------|
| <input checked="" type="checkbox"/> Form 990 | <input type="checkbox"/> Form 990-T (corporation) | <input type="checkbox"/> Form 4720 |
| <input type="checkbox"/> Form 990-BL | <input type="checkbox"/> Form 990-T (sec. 401(a) or 408(a) trust) | <input type="checkbox"/> Form 5227 |
| <input type="checkbox"/> Form 990-EZ | <input type="checkbox"/> Form 990-T (trust other than above) | <input type="checkbox"/> Form 6069 |
| <input type="checkbox"/> Form 990-PF | <input type="checkbox"/> Form 1041-A | <input type="checkbox"/> Form 8870 |



- The books are in the care of ▶ **ELLEN GIUDICE**
Telephone No. ▶ **847-475-5800** FAX No. ▶ **847-475-5871**
- If the organization does **not** have an office or place of business in the United States, check this box
- If this is for a **Group Return**, enter the organization's four digit Group Exemption Number (GEN) _____ . If this is for the **whole** group, check this box . If it is for part of the group, check this box and attach a list with the names and EINs of all members the extension will cover.

- I request an automatic 3-month (6-months for a **Form 990-T corporation**) extension of time until **MAY 15, 2007** to file the exempt organization return for the organization named above. The extension is for the organization's return for:
 - ▶ calendar year _____ or
 - ▶ tax year beginning **OCT 1, 2005** , and ending **SEP 30, 2006** .
- If this tax year is for less than 12 months, check reason: Initial return Final return Change in accounting period
- 3a** If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions \$ _____
- b** If this application is for Form 990-PF or 990-T, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit \$ _____
- c Balance Due.** Subtract line 3b from line 3a. Include your payment with this form, or, if required, deposit with FTD coupon or, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions \$ **N/A**

Caution. If you are going to make an electronic fund withdrawal with this Form 8868, see Form 8453-EO and Form 8879-EO for payment instructions.

The Cradle
EIN 36-2181994

Statement Attached to and Made Part of Form 990
Return of Organization Exempt from Income Tax
For the Year Ended September 30, 2006

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Part IV, Lines 57a, 57b, Land Buildings, and Equipment

<u>Asset</u>	<u>Balance at 9/30/2005</u>	<u>FY 2006 Additions</u>	<u>FY 2006 Disposals</u>	<u>Balance at 9/30/2006</u>
Land Improvements	317,080.39			317,080.39
Building	745,436.98			745,436.98
Building Improvements	4,578,186.25	2,000.00		4,580,186.25
Furniture & Equipment	525,505.37	18,394.00		543,899.37
Computer Equipment	311,465.43	15,636.16	(2,273.00)	324,828.59
Computer Software	92,814.20	699.00		93,513.20
Subtotal	6,570,488.62	36,729.16	(2,273.00)	6,604,944.78
Land	20,300.00	-		20,300.00
Total	6,590,788.62	36,729.16	(2,273.00)	6,625,244.78

<u>Accumulated Depreciation</u>	<u>Balance at 9/30/2005</u>	<u>FY 2006 Provision</u>	<u>FY 2006 Disposals</u>	<u>Balance at 9/30/2006</u>
Land Improvements	131,651.28	21,138.69		152,789.97
Building	676,789.66	12,879.66		689,669.32
Building Improvements	622,667.60	99,627.07		722,294.67
Furniture & Equipment	503,995.96	12,151.77		516,147.73
Computer Equipment	267,984.43	18,016.14	(2,273.00)	283,727.57
Computer Software	61,135.93	12,787.81		73,923.74
Total	2,264,224.86	176,601.14	(2,273.00)	2,438,553.00

<u>Net</u>	<u>Balance at 9/30/2005</u>	<u>FY 2006 Additions</u>	<u>FY 2006 Disposals</u>	<u>Balance at 9/30/2006</u>
Land Improvements	185,429.11	(21,138.69)	-	164,290.42
Building	68,647.32	(12,879.66)	-	55,767.66
Renovation	3,955,518.65	(97,627.07)	-	3,857,891.58
Furniture & Equipment	21,509.41	6,242.23	-	27,751.64
Computer Equipment	43,481.00	(2,379.98)	-	41,101.02
Computer Software	31,678.27	(12,088.81)	-	19,589.46
Subtotal	4,306,263.76	(139,871.98)	-	4,166,391.78
Land	20,300.00	-	-	20,300.00
Total	4,326,563.76	(139,871.98)	-	4,186,691.78

The Cradle
EIN 36-2181994

Statement Attached to and Made Part of Form 990
Return of Organization Exempt from Income Tax
For the Year Ended September 30, 2006

Part IV, Line 64a, Tax-Exempt Bond Liabilities

Lender	Illinois Health Facilities Authority
Original Amount	\$ 5,300,000
Payment (12/30/1998)	\$ 100,000
Balance Due	\$ 5,200,000
Date of Note	May 12, 1998
Description and FMV of consideration furnished by the lender	Cash \$ 5,300,000
Maturity Date	April 1, 2033
Repayment Terms	Monthly interest payments Principal due in full on April 1, 2033
Interest Rate	Variable
Purpose of Loan	Renovate and equip The Cradle facilities, pay costs related to temporary office facilities, and repay portion of bond interest during construction.

The Cradle
 EIN 36-2181994

Statement Attached to and Made Part of Form 990
 Return of Organization Exempt from Income Tax
 For the Year Ended September 30, 2006

Part V, Schedule of Non-compensated Board of Directors

Last Name	First Name	Address	Title	Average Annual Hours Devoted to Position(s)
Burnstine, MD	Richard	(1)	Director	48
Cartier	Margaret	(1)	Director	16
Cole	Stephen	(1)	Director	36
Dix	John F., Jr.	(1)	Director	36
Dix	Paula (Polly)	(1)	Director	24
Fairfield	John L.	(1)	Director	68
Grady	Raymond	(1)	Director	72
Hajek	Anna	(1)	Vice Chair	88
Holubow	Fred	(1)	Director	20
Hoof	Addison	(1)	Director	16
Hoof	Rose Ann	(1)	Director	16
Huston	DeVerille	(1)	Secretary	112
Kellen	Marganta	(1)	Chair	96
Klettke	Catherine	(1)	Director	32
Mason	David	(1)	Director	32
Mason	Margaret	(1)	Director	32
McConnell, II	E. Hoy	(1)	Treasurer	76
Muhlberg	Judith	(1)	Director	20
Phenner	Mary	(1)	Director	32
Reichert	Corrine	(1)	Director	36
Rochford	Kevin	(1)	Director	20
Rubly	Lawrence	(1)	Director	20
Ryan	Thomas	(1)	Director	40
Sargent	Robert	(1)	Director	36
Sayers	Ardythe	(1)	Director	16
Sayers	Gale	(1)	Director	16
Sergesketter	Mary	(1)	Director	32
Stasek	William	(1)	Director	20
Uhlenhop	Paul	(1)	Director	36
Uhlenhop	Virginia	(1)	Director	32

(1) The individuals noted above can be contacted at the following address:

The Cradle
 2049 Ridge Avenue
 Evanston, Illinois 60201

The Cradle
 EIN 36-2181994

Statement Attached to and Made Part of Form 990
 Return of Organization Exempt from Income Tax
 For the Year Ended September 30, 2006

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Reichert	Corrine	(1)	Director	36
Rochford	Kevin	(1)	Director	20
Rubly	Lawrence	(1)	Director	20
Ryan	Thomas	(1)	Director	40
Sargent	Robert	(1)	Director	36
Sayers	Ardythe	(1)	Director	16
Sayers	Gale	(1)	Director	16
Sergesketter	Mary	(1)	Director	32
Stasek	William	(1)	Director	20
Uhlenhop	Paul	(1)	Director	36
Uhlenhop	Virginia	(1)	Director	32

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