

**Return of Organization Exempt From Income Tax**

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

**2007**

Department of the Treasury  
Internal Revenue Service

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

Open to Public Inspection

**A** For the 2007 calendar year, or tax year beginning **OCT 1, 2007** and ending **SEP 30, 2008**

<b>B</b> Check if applicable: <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Termination <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	Please use IRS label or print or type See Specific Instructions	<b>C</b> Name of organization <b>THE CRADLE</b>	<b>D</b> Employer identification number <b>36-2181994</b>
		Number and street (or P.O. box if mail is not delivered to street address) Room/suite <b>2049 RIDGE AVENUE</b>	<b>E</b> Telephone number <b>(847) 475-5800</b>
		City or town, state or country, and ZIP + 4 <b>EVANSTON, IL 60201</b>	<b>F</b> Accounting method <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other (specify) ▶
		<p>• Section 501(c)(3) organizations and 4947(a)(1) nonexempt charitable trusts must attach a completed Schedule A (Form 990 or 990-EZ).</p>	

**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 is not a 509(a)(3) supporting organization and its gross receipts are normally not more than \$25,000. A return is not required, but if the organization chooses to file a return, be sure to file a complete return.

**H** *adhere to applicable to section 57 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**

**L** Gross receipts: Add lines 6b, 8b, 9b, and 10b to line 12 ▶ **6,218,156.**

**M** Check  if the organization is not required to attach Sch. B (Form 990, 990-EZ, or 990-PF).

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

<b>Revenue</b>	<b>1</b> Contributions, gifts, grants, and similar amounts received:			
	<b>a</b> Contributions to donor advised funds	<b>1a</b>		
	<b>b</b> Direct public support (not included on line 1a)	<b>1b</b>	<b>216,635.</b>	
	<b>c</b> Indirect public support (not included on line 1a)	<b>1c</b>	<b>1,566,873.</b>	
	<b>d</b> Government contributions (grants) (not included on line 1a)	<b>1d</b>	<b>675,352.</b>	
	<b>e</b> Total (add lines 1a through 1d) (cash \$ <b>2,334,725.</b> noncash \$ <b>124,135.</b> )	<b>1e</b>	<b>2,458,860.</b>	
	<b>2</b> Program service revenue including government fees and contracts (from Part VII, line 93)	<b>2</b>	<b>3,504,046.</b>	
	<b>3</b> Membership dues and assessments	<b>3</b>		
	<b>4</b> Interest on savings and temporary cash investments	<b>4</b>	<b>16,526.</b>	
	<b>5</b> Dividends and interest from securities	<b>5</b>		
	<b>6 a</b> Gross rents	<b>6a</b>		
	<b>b</b> Less: rental expenses	<b>6b</b>		
<b>c</b> Net rental income or (loss). Subtract line 6b from line 6a	<b>6c</b>			
<b>7</b> Other investment income (describe) ▶	<b>7</b>			
<b>8 a</b> Gross amount from sales of assets other than inventory	(A) Securities	(B) Other		
<b>b</b> Less: cost or other basis and sales expenses	<b>8a</b>	<b>8b</b>		
<b>c</b> Gain or (loss) (attach schedule)	<b>8c</b>			
<b>d</b> Net gain or (loss). Combine line 8c, columns (A) and (B)	<b>8d</b>			
<b>9</b> Special events and activities (attach schedule). If any amount is from gaming, check here <input type="checkbox"/>				
<b>a</b> Gross revenue (not including \$ _____ of contributions reported on line 1b)	<b>9a</b>			
<b>b</b> Less: direct expenses other than fundraising expenses	<b>9b</b>			
<b>c</b> Net income or (loss) from special events. Subtract line 9b from line 9a	<b>9c</b>			
<b>10 a</b> Gross sales of inventory, less returns and allowances	<b>10a</b>			
<b>b</b> Less: cost of goods sold	<b>10b</b>			
<b>c</b> Gross profit or (loss) from sales of inventory (attach schedule). Subtract line 10b from line 10a	<b>10c</b>			
<b>11</b> Other revenue (from Part VII, line 103)	<b>11</b>	<b>238,724.</b>		
<b>12</b> Total revenue. Add lines 1e, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11	<b>12</b>	<b>6,218,156.</b>		
<b>Expenses</b>	<b>13</b> Program services (from line 44, column (B))	<b>13</b>	<b>6,126,323.</b>	
	<b>14</b> Management and general (from line 44, column (C))	<b>14</b>	<b>409,316.</b>	
	<b>15</b> Fundraising (from line 44, column (D))	<b>15</b>		
	<b>16</b> Payments to affiliates (attach schedule)	<b>16</b>		
	<b>17</b> Total expenses. Add lines 16 and 44, column (A)	<b>17</b>	<b>6,535,639.</b>	
<b>Net Assets</b>	<b>18</b> Excess or (deficit) for the year. Subtract line 17 from line 12	<b>18</b>	<b>&lt;317,483.&gt;</b>	
	<b>19</b> Net assets or fund balances at beginning of year (from line 73, column (A))	<b>19</b>	<b>23,729,872.</b>	
	<b>20</b> Other changes in net assets or fund balances (attach explanation) <b>SEE STATEMENT 2</b>	<b>20</b>	<b>&lt;2,850,819.&gt;</b>	
	<b>21</b> Net assets or fund balances at end of year. Combine lines 18, 19, and 20	<b>21</b>	<b>20,561,570.</b>	

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**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.

<i>Do not include amounts reported on the 6b, 8, 9, 0b, or 6f of apt J</i>	(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
<b>22a</b> Grants paid from donor advised funds (attach schedule) (cash \$ <u>0.</u> noncash \$ <u>0.</u> ) If this amount includes foreign grants, check here <input type="checkbox"/>				
<b>22b</b> Other grants and allocations (attach schedule) (cash \$ <u>0.</u> noncash \$ <u>0.</u> ) If this amount includes foreign grants, check here <input type="checkbox"/>				
<b>23</b> Specific assistance to individuals (attach schedule)				
<b>24</b> Benefits paid to or for members (attach schedule)				
<b>25a</b> Compensation of current officers, directors, key employees, etc. listed in Part V-A	755,359.	686,116.	69,243.	0.
<b>25b</b> Compensation of former officers, directors, key employees, etc. listed in Part V-B	0.	0.	0.	0.
<b>25c</b> Compensation and other distributions, not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
<b>26</b> Salaries and wages of employees not included on lines 25a, b, and c	2,582,726.	2,483,023.	99,703.	
<b>27</b> Pension plan contributions not included on lines 25a, b, and c	42,971.	40,631.	2,340.	
<b>28</b> Employee benefits not included on lines 25a - 27	310,943.	294,593.	16,350.	
<b>29</b> Payroll taxes	249,428.	236,956.	12,472.	
<b>30</b> Professional fundraising fees				
<b>31</b> Accounting fees	33,650.	18,866.	14,784.	
<b>32</b> Legal fees	60,105.	54,886.	5,219.	
<b>33</b> Supplies	178,447.	169,577.	8,870.	
<b>34</b> Telephone	56,903.	48,962.	7,941.	
<b>35</b> Postage and shipping	38,597.	35,403.	3,194.	
<b>36</b> Occupancy	218,111.	177,109.	41,002.	
<b>37</b> Equipment rental and maintenance	91,884.	75,368.	16,516.	
<b>38</b> Printing and publications	66,529.	66,529.		
<b>39</b> Travel	103,488.	101,851.	1,637.	
<b>40</b> Conferences, conventions, and meetings	15,239.	13,856.	1,383.	
<b>41</b> Interest	189,074.	140,769.	48,305.	
<b>42</b> Depreciation, depletion, etc (attach schedule)	168,651.	117,216.	51,435.	
<b>43</b> Other expenses not covered above (itemize)				
a _____				
b _____				
c _____				
d _____				
e _____				
f _____				
<b>g</b> SEE STATEMENT 3	1,373,534.	1,364,612.	8,922.	
<b>44</b> Total functional expenses. Add lines 22a through 43g (Organizations completing columns (B)-(D), carry these totals to lines 13-15)	6,535,639.	6,126,323.	409,316.	0.

**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

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? ▶ <b>ADOPTION AGENCY</b>	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.)	
<b>a SOCIAL SERVICES - SEE ATTACHED</b>	
(Grants and allocations \$ ) If this amount includes foreign grants, check here ▶ <input type="checkbox"/>	3,602,992.
<b>b NURSERY - SEE ATTACHED</b>	
(Grants and allocations \$ ) If this amount includes foreign grants, check here ▶ <input type="checkbox"/>	898,167.
<b>c OUTREACH AND COMMUNICATIONS - SEE ATTACHED</b>	
(Grants and allocations \$ ) If this amount includes foreign grants, check here ▶ <input type="checkbox"/>	994,332.
<b>d ADOPTION LEARNING PARTNERS - SEE ATTACHED</b>	
(Grants and allocations \$ ) If this amount includes foreign grants, check here ▶ <input type="checkbox"/>	630,832.
<b>e Other program services (attach schedule)</b> (Grants and allocations \$ ) If this amount includes foreign grants, check here ▶ <input type="checkbox"/>	
<b>f Total of Program Service Expenses</b> (should equal line 44, column (B), Program services) ▶	<b>6,126,323.</b>

Form 990 (2007)

**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	419,157.	45	289,237.
	46 Savings and temporary cash investments	500,000.	46	500,000.
	47 a Accounts receivable	47a 313,703.		
	b Less allowance for doubtful accounts	47b	238,404.	47c 313,703.
	48 a Pledges receivable	48a 191,703.		
	b Less allowance for doubtful accounts	48b	280,909.	48c 191,703.
	49 Grants receivable		49	
	50 a Receivables from current and former officers, directors, trustees, and key employees		50a	
	b Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)		50b	
	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		137,310.	53 129,406.
	54 a Investments - publicly-traded securities <input type="checkbox"/> Cost <input type="checkbox"/> FMV			54a
	b Investments - other securities <input type="checkbox"/> Cost <input type="checkbox"/> FMV			54b
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 6,498,086.			
b Less accumulated depreciation	57b 2,550,725.	4,053,123.	57c 3,947,361.	
58 Other assets, including program-related investments (describe <input type="checkbox"/> SEE STATEMENT 4 )		23,817,253.	58 20,961,618.	
59 Total assets (must equal line 74) Add lines 45 through 58		29,446,156.	59 26,333,028.	
Liabilities	60 Accounts payable and accrued expenses		477,954.	60 493,773.
	61 Grants payable			61
	62 Deferred revenue		38,330.	62 77,685.
	63 Loans from officers, directors, trustees, and key employees			63
	64 a Tax-exempt bond liabilities 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		5,716,284.	66 5,771,458.	
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		15,192,874.	67 13,125,832.
	68 Temporarily restricted		2,615,786.	68 2,025,131.
	69 Permanently restricted		5,921,212.	69 5,410,607.
	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 and column (B) must equal line 21)		23,729,872.	73 20,561,570.	
74 Total liabilities and net assets/fund balances. Add lines 66 and 73		29,446,156.	74 26,333,028.	

**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	4,077,726.
b	Amounts included on line a but not on Part I, line 12			
1	Net unrealized gains on investments	b1	<545,258.>	
2	Donated services and use of facilities	b2	145,785.	
3	Recoveries of prior year grants	b3		
4	Other (specify) <u>SEE STATEMENT 6</u>	b4	<174,084.>	
	Add lines b1 through b4		b	<573,557.>
c	Subtract line b from line a		c	4,651,283.
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	1,566,873.	
	Add lines d1 and d2		d	1,566,873.
e	Total revenue (Part I, line 12) Add lines c and d		e	6,218,156.

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

a	Total expenses and losses per audited financial statements		a	6,681,424.
b	Amounts included on line a but not on Part I, line 17			
1	Donated services and use of facilities	b1	145,785.	
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	145,785.
c	Subtract line b from line a		c	6,535,639.
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	6,535,639.

**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	178,708.	20,059.	8,707.
MERRILEE HEPLER THE CRADLE 2049 RIDGE AVENUE EVANSTON, IL 60201	VP, HUMAN RESOURCES & ADMI 40.00	115,057.	13,487.	57.
LINDA HAGEMAN THE CRADLE 2049 RIDGE AVENUE EVANSTON, IL 60201	VP, SOCIAL SERVICES 40.00	103,813.	13,160.	60.
ELLEN GIUDICE THE CRADLE 2049 RIDGE AVENUE EVANSTON, IL 60201	VP, FINANCE 40.00	101,051.	3,679.	0.
JOAN JAEGER THE CRADLE 2049 RIDGE AVENUE EVANSTON, IL 60201	VP, MARKETING 40.00	100,600.	17,709.	0.
MARIANNE WOODWARD THE CRADLE 2049 RIDGE AVENUE EVANSTON, IL 60201	VP SOCIAL ENTERPRISES 30.00	70,616.	9,500.	0.
SEE SCHEDULE ATTACHED FOR NON-COMPENSATED BOARD OF DIRECTORS	0.00	0.	0.	0.

<b>Part V-A</b> Current Officers, Directors, Trustees, and Key Employees (continued)		<b>Yes</b>	<b>No</b>
75 a Enter the total number of officers, directors, and trustees permitted to vote on organization business at board meetings	28		
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	X	
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 the organization? See the instructions for the definition of "related organization"			X
If "Yes," attach a statement that includes the information described in the instructions			
d Does the organization have a written conflict of interest policy?		X	

<b>Part V-B</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.)				
(A) Name and address	(B) Loans and Advances	(C) Compensation (if not paid, enter -0-)	(D) Contributions to employee benefit plans & deferred compensation plans	(E) Expense account and other allowances
NONE				
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<b>Part VI</b> Other Information (See the instructions.)		<b>Yes</b>	<b>No</b>
76 Did the organization make a change in its activities or methods of conducting activities? If "Yes," attach a detailed statement of each change			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			X
78 a Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return?			X
b If "Yes," has it filed a tax return on Form 990-T for this year?	N/A		
79 Was there a liquidation, dissolution, termination, or substantial contraction during the year? If "Yes," attach a statement			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?		X	
b If "Yes," enter the name of the organization	SEE STATEMENT 8		
_____ and check whether it is <input type="checkbox"/> exempt or <input type="checkbox"/> nonexempt			
81 a Enter direct and indirect political expenditures (See line 81 instructions)	81a   0.		
b Did the organization file Form 1120-POL for this year?			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 145,785.		
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 <i>quid pro quo</i> 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 a	501(c)(4), §, or 61 Were substantially all dues nondeductible by members? N/A		
b	Did the organization make only in-house lobbying expenditures of \$2,000 or less? N/A		
	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		
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? 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? 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 a	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		X
b	At any time during the year, did the organization, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," complete Part XI		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		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.		
e	All organizations At any time during the tax year, was the organization a party to a prohibited tax shelter transaction? 89e X		
f	All organizations Did the organization acquire a direct or indirect interest in any applicable insurance contract? 89f X		
g	For supporting organizations and sponsoring organizations maintaining donor advised funds. Did the supporting organization, or a fund maintained by a sponsoring organization, have excess business holdings at any time during the year? N/A		
89g			
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, 2007 90b 91		
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 RUSSIA		
	See the instructions for exceptions and filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts		
91b		X	

**Part VI Other Information** (continued) Yes No

c At any time during the calendar year, did the organization maintain an office outside of the United States? 91c  Yes  No  
 If "Yes," enter the name of the foreign country N/A

92 Section 47(a)(1) tax-exempt 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)

	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 <b>SERVICE FEES</b>					3,422,974.
b					
c					
d					
e					
f Medicare/Medicaid payments					
g Fees and contracts from government agencies					81,072.
94 Membership dues and assessments					
95 Interest on savings and temporary cash investments			14	16,526.	
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 <b>MISCELLANEOUS REVENUE</b>					450.
b <b>ADMINISTRATIVE FEE</b>					238,274.
c					
d					
e					
104 Subtotal (add columns (B), (D), and (E))		0.		16,526.	3,742,770.
105 Total (add line 104, columns (B), (D), and (E))					3,759,296.

Note: Line 05 plus the 6, Part I should equal the amount on the 2, 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).
▼	SEE STATEMENT 10

**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 720 (see instructions)



**Part XI** Information Regarding Transfers To and From Controlled Entities. Complete only if the organization is a controlling organization as defined in section 512(b)(13) N/A

106 Did the reporting organization make any transfers to a controlled entity as defined in section 512(b)(13) of the Code? If "Yes," complete the schedule below for each controlled entity

	(A) Name, address, of each controlled entity	(B) Employer Identification Number	(C) Description of transfer	(D) Amount of transfer	Yes	No
a	-----					
b	-----					
c	-----					
Totals						

107 Did the reporting organization receive any transfers from a controlled entity as defined in section 512(b)(13) of the Code? If "Yes," complete the schedule below for each controlled entity

	(A) Name, address, of each controlled entity	(B) Employer Identification Number	(C) Description of transfer	(D) Amount of transfer	Yes	No
a	-----					
b	-----					
c	-----					
Totals						

108 Did the organization have a binding written contract in effect on August 17, 2006, covering the interest, rents, royalties, and annuities described in question 107 above?

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.

Please Sign Here:  Signature of officer: *[Signature]* Date: 2-10-2009  
 Type or print name and title: JULIE S. TYE, PRESIDENT

Paid Preparer's Use Only: Preparer's signature: Susan M. Dezzo Date: 2-7-09 Check if self-employed:  Preparer's SSN or PTIN (See Gen. Inst. X): P00595460  
 Firm's name (or yours if self-employed), address and ZIP + 4: WARADY & DAVIS LLP, 1717 DEERFIELD ROAD, SUITE 300S, DEERFIELD, IL 60015  
 EIN: 36-2170602 Phone no: (847)267-9600

**SCHEDULE A**  
**(Form 990 or 990-EZ)**

**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

OMB No 1545-0047

**2007**

Department of the Treasury  
Internal Revenue Service

**Supplementary Information--(See separate instructions.)**

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

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
NOREEN BIGELOW THE CRADLE 2049 RIDGE AVENUE, EVANST	DIRECTOR OF ALP 40.00	72,895.	10,034.	
NANCY CROUCH THE CRADLE 2049 RIDGE AVENUE, EVANST	DIR. FAM. PLACEMENT 40.00	69,982.	8,125.	
VICTORIA BROOKS THE CRADLE 2049 RIDGE AVENUE, EVANST	DIRECTOR OF NURSING 40.00	62,325.	7,295.	
PATRICIA TRUDEAU THE CRADLE 2049 RIDGE AVENUE, EVANST	CLIN. DIR PARENT SVC 40.00	62,959.	14,227.	
JANE PAGE THE CRADLE 2049 RIDGE AVENUE, EVANST	DIR. AP CLINICAL SVC 40.00	64,541.	7,368.	
Total number of other employees paid over \$50,000	▶ 4			

**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
SWITCHFAST TECHNOLOGIES 4043 N. RAVENSWOOD #203, CHICAGO, IL 60613	COMPUTER CONSULTING AND SU	100,826.
DAVID P. HAYES 6644 N. MAPLEWOOD, CHICAGO, IL 60645	ON-LINE COURSE DESIGN AND SUPPOR	74,425.
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
BOTTOMLINE MANAGEMENT/GRUEN MKTG SVC 14525 HIGHWAY 7 STE 102, MINNETONKA, MN 55345	YELLOW PAGE ADVERTISING	133,475.
BOLIN 2523 WAYZATA BLVD, MINNEAPOLIS, MN 55405	MEDIA ADVERTISING	84,000.
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)? <b>SEE PART V-A, FORM 990</b>	X	
e	Transfer of any part of its income or assets?		X
3 a	Did the organization make grants for scholarships, fellowships, student loans, etc.? (If "Yes," attach an explanation of how the organization determines that recipients qualify to receive payments.)		X
b	Did the organization have a section 403(b) annuity plan for its employees?	X	
c	Did the organization receive or hold an easement for conservation purposes, including easements to preserve open space, the environment, historic land areas or historic structures? If "Yes," attach a detailed statement		X
d	Did the organization provide credit counseling, debt management, credit repair, or debt negotiation services?		X
4 a	Did the organization maintain any donor advised funds? If "Yes," complete lines 4b through 4g. If "No," complete lines 4f and 4g		X
b	Did the organization make any taxable distributions under section 4966?	N/A	
c	Did the organization make a distribution to a donor, donor advisor, or related person?	N/A	
d	Enter the total number of donor advised funds owned at the end of the tax year	▶	0
e	Enter the aggregate value of assets held in all donor advised funds owned at the end of the tax year	▶	0.
f	Enter the total number of separate funds or accounts owned at the end of the year (excluding donor advised funds included on line 4d) where donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts	▶	0.
g	Enter the aggregate value of assets in all funds or accounts included on line 4f at the end of the tax year	▶	0.

**Part IV Reason for Non-Private Foundation Status** (See pages 4 through 8 of the instructions.)

I certify that 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)(v). (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 otherwise meets the requirements of section 509(a)(3). Check the box that describes the type of supporting organization:  
 Type I                       Type II                       Type III-Functionally Integrated                       Type III-Other

Provide the following information about the supported organizations. (See page 8 of the instructions.)

(a) Name(s) of supported organization(s)	(b) Employer identification number (EIN)	(c) Type of organization (described in lines 5 through 12 above or IRC section)	(d) Is the supported organization listed in the supporting organization's governing documents?		(e) Amount of support
			Yes	No	
<b>Total</b>					<b>▶</b>

- 14  An organization organized and operated to test for public safety. Section 509(a)(4) (See page 8 of the instructions.)

<b>Part IV-A Support Schedule</b> (Complete only if you checked a box on line 10, 11, or 12) Use cash method of accounting. Note: You may see the worksheet in the instructions for converting from the accrual to the cash method of accounting.					
Calendar year (or fiscal year beginning in)	(a) 2006	(b) 2005	(c) 2004	(d) 2003	(e) Total
15 Gifts, grants, and contributions received. (Do not include unusual grants. See line 28.)	3,450,138.	3,460,246.	2,537,622.	2,079,187.	11,527,193.
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	591,133.	2,309,174.	2,258,575.	2,178,183.	7,337,065.
18 Gross income from interest, dividends, amounts received from payments on securities loans (section 512(a)(5)), rents, royalties, income from similar sources, and unrelated business taxable income (less section 511 taxes) from businesses acquired by the organization after June 30, 1975	15,539.		141.	80,389.	96,069.
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	220,027.	7,173.	SEE STATEMENT 11 46,257.	39,831.	313,288.
23 Total of lines 15 through 22	4,276,837.	5,776,593.	4,842,595.	4,377,590.	19,273,615.
24 Line 23 minus line 17	3,685,704.	3,467,419.	2,584,020.	2,199,407.	11,936,550.
25 Enter 1% of line 23	42,768.	57,766.	48,426.	43,776.	
26 Organizations described on lines 10 or 11: a Enter 2% of amount in column (e), line 24					26a 238,731.
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 2003 through 2006 exceeded the amount shown in line 26a. Do not file this list with your return. Enter the total of all these excess amounts					26b 261,269.
c Total support for section 509(a)(1) test: Enter line 24, column (e)					26c 11,936,550.
d Add: Amounts from column (e) for lines: 18 96,069. 19 _____ 22 313,288. 26b 261,269.					26d 670,626.
e Public support (line 26c minus line 26d total)					26e 11,265,924.
f Public support percentage (line 26e (numerator) divided by line 26c (denominator))					26f 94.3817%
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					
(2006) (2005) (2004) (2003)					
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					
(2006) (2005) (2004) (2003)					
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 2003 through 2006, 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 9 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?		
b	Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis?		
c	Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships?		
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.)		
<hr/> <hr/> <hr/>			
33	Does the organization discriminate by race in any way with respect to:		
a	Students' rights or privileges?		
b	Admissions policies?		
c	Employment of faculty or administrative staff?		
d	Scholarships or other financial assistance?		
e	Educational policies?		
f	Use of facilities?		
g	Athletic programs?		
h	Other extracurricular activities? If you answered "Yes" to any of the above, please explain. (If you need more space, attach a separate statement.)		
<hr/> <hr/> <hr/>			
34 a	Does the organization receive any financial aid or assistance from a governmental agency?		
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.		
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		

**Part VI-A Lobbying Expenditures by Electing Public Charities** (See page 11 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 -	The lobbying nontaxable amount is -		
Not over \$500,000	20% of the amount on line 40		
Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000		
Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000	41	
Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000		
Over \$17,000,000	\$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 the 3 or line 4, you must file Form 720.

**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 13 of the instructions.)

Calendar year (or fiscal year beginning in)	Lobbying Expenditures During 4-Year Averaging Period				N/A
	(a) 2007	(b) 2006	(c) 2005	(d) 2004	(e) Total
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 14 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:	Yes	No	Amount
a Volunteers		X	
b Paid staff or management (Include compensation in expenses reported on lines c through h )		X	
c Media advertisements		X	
d Mailings to members, legislators, or the public		X	
e Publications, or published or broadcast statements		X	
f Grants to other organizations for lobbying purposes		X	
g Direct contact with legislators, their staffs, government officials, or a legislative body		X	
h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any other means		X	
i Total lobbying expenditures (Add lines c through h )			0.

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





**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, 2008**

**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 820 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 99 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; 41 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 75 children from 11 countries found permanent loving families through The Cradle, including 26 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 finalized the readoption or permanent guardianship of 101 children throughout northern Illinois and provided 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 1,513 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 121 infants, representing over 2,913 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. Adoption Learning Partners (ALP)**

The Cradle is committed to improving adoption outcomes by providing adoption education through its interactive e-learning courses located on the Internet at [www.AdoptionLearningPartners.org](http://www.AdoptionLearningPartners.org). ALP course content meets the needs of families formed through domestic, international and public child welfare adoptions, as well as the professionals who work in the field. This year, more than 8,000 individuals took one or more courses on ALP.

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, 2008

Asset	Fixed Asset			Accumulated Depreciation			Net Fixed Asset			
	Balance at 9/30/07	FY 2008 Additions	Disposals (a)	Balance at 9/30/07	FY 2008 Additions	Disposals (a)	Balance at 9/30/07	FY 2008 Additions	Disposals	Balance at 9/30/08
Cradle	20,300.00						20,300.00			20,300.00
Land	317,080.39			(173,928.66)	(21,138.69)		143,151.73	(21,138.69)		122,013.04
Land Improvements & Parking Lot	745,436.98			(702,548.98)	(9,378.78)		42,888.00	(9,378.78)		33,509.22
Building	4,581,514.25	42,265.00		(622,088.14)	(101,973.12)		3,759,426.11	(59,708.12)		3,699,717.99
Building Improvements	5,326,951.23	42,265.00		(1,524,637.12)	(111,351.90)		3,802,314.11	(69,086.90)		3,733,227.21
Buildings & Building Improvements	562,690.37	1,725.99	(71,609.92)	(526,955.22)	(12,156.77)	71,609.92	35,735.15	(10,430.78)		25,304.37
Furniture & Equipment	341,472.86	18,179.14	(157,702.27)	(298,619.47)	(16,482.51)	157,702.27	42,853.39	1,696.63		44,550.02
Computer Equipment	96,013.20	720.00		(87,244.72)	(7,521.96)		8,768.48	(6,801.98)		1,966.50
Computer Software	1,000,176.43	20,625.13	(229,312.19)	(912,819.41)	(36,161.26)	229,312.19	87,357.02	(15,536.13)		71,820.89
Furnishings and Equipment	6,864,508.05	62,890.13	(229,312.19)	(2,611,388.19)	(188,861.85)	229,312.19	4,053,122.88	(105,761.72)		3,947,361.14
<b>Total Property &amp; Equipment</b>										

**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, 2008**

**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, 2008

Part V, Schedule of Non-compensated Board of Directors

Last Name	First Name	Address	Title	Average Hours per Week Devoted to Position(s)
Amos	Pamela	(1)	Director	0 42
Barth	John	(1)	Director	1 00
Burnstine, MD	Richard	(1)	Director	0 54
Cartier	Margaret	(1)	Director	0 65
Cole	Stephen	(1)	Secretary/Treasurer	1 17
Dix	John F., Jr.	(1)	Director	0 65
Dix	Paula (Polly)	(1)	Director	1 00
Faruerbach	Therese	(1)	Director	1 35
Fisch	Mary	(1)	Director	1.81
Grady	Raymond	(1)	Director	0 65
Hajek	Anna	(1)	Vice Chair	1 29
Herchenbach	Andrea	(1)	Director	0 65
Ireland	Melville	(1)	Director	0 54
Kellen	Margarita	(1)	Chair	2 02
Klettke	Catherine	(1)	Director	0 54
Macy	Lawrence	(1)	Director	0.65
Newman	Priscilla	(1)	Director	0 65
Rochford	Kevin	(1)	Director	0 54
Rubly	Lawrence	(1)	Director	1 00
Ryan	Thomas	(1)	Director	0 88
Sargent	Robert	(1)	Director	0.77
Sayers	Ardythe	(1)	Director	0 31
Sayers	Gale	(1)	Director	0.31
Singer	Beth Bronner	(1)	Director	0 54
Stasek	William	(1)	Director	0.31
Uhlenhop	Virginia	(1)	Director	0 54
Ware	Griswald	(1)	Director	0 31

(1) The individuals noted above can be contacted at the following address  
The Cradle  
2049 Ridge Avenue  
Evanston, Illinois 60201

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FOOTNOTES

STATEMENT 1

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OFFICER'S COMPENSATION PER PAGE 2, PART II, LINE 25 DOES NOT EQUAL AMOUNT ON PAGE 5, PART V(A) DUE TO DIFFERENT ACCOUNTING METHODS. PART II, LINE 25 IS ON ACCRUAL METHOD OF ACCOUNTING AND PART V(A) IS ON CASH BASIS. IN ADDITION, PART V(A) INCLUDES EXPENSE ALLOWANCES FOR THREE OFFICERS WHICH TOTALS TO \$8,824.

FORM 990	OTHER CHANGES IN NET ASSETS OR FUND BALANCES	STATEMENT	2
DESCRIPTION		AMOUNT	
CHANGE IN VALUE OF SPLIT INTEREST AGREEMENTS		<174,084.>	
UNREALIZED LOSS ON PERMANENTLY RESTRICTED INVESTMENTS		<545,258.>	
CHANGE IN BENEFICIAL INTEREST IN NET ASSETS OF FOUNDATION - UNRESTRICTED		<1,838,766.>	
CHANGE IN BENEFICIAL INTEREST IN NET ASSETS OF FOUNDATION - TEMP. RESTRICTED		<327,364.>	
CHANGE IN BENEFICIAL INTEREST IN NET ASSETS OF FOUNDATION - PERM. RESTRICTED		34,653.	
TOTAL TO FORM 990, PART I, LINE 20		<2,850,819.>	

FORM 990	OTHER EXPENSES			STATEMENT	3
DESCRIPTION	(A) TOTAL	(B) PROGRAM SERVICES	(C) MANAGEMENT AND GENERAL	(D) FUNDRAISING	
MEDICAL & PRENATAL CARE	132,083.	132,083.			
FOOD & BEVERAGE	13,677.	8,935.	4,742.		
CONSULTING	416,670.	384,554.	32,116.		
TEMPORARY HELP	59,134.	57,145.	1,989.		
EDUCATION & RESEARCH	73,430.	64,811.	8,619.		
OUTREACH & COMMUNICATIONS	372,817.	372,817.			
MISCELLANEOUS	45,887.	44,141.	1,746.		
INVESTMENT AND BANK FEES	48,005.	43,963.	4,042.		
INSURANCE	86,427.	66,357.	20,070.		
HUMANITARIAN AID	88,453.	88,453.			
OTHER EVENT EXPENSES	738.	691.	47.		
INTERNET EXPENSE	36,213.	31,337.	4,876.		
ADMINISTRATION ALLOCATION	0.	69,325.	<69,325.>		
TOTAL TO FM 990, LN 43	1,373,534.	1,364,612.	8,922.		

FORM 990

OTHER ASSETS

STATEMENT 4

DESCRIPTION	BEGINNING OF YEAR	END OF YEAR
BOND ISSUANCE COSTS, NET	120,396.	115,580.
ASSETS HELD IN REMAINDER TRUSTS	786,109.	612,024.
BENEFICIAL INTEREST IN PERPETUAL TRUSTS	3,216,863.	2,671,606.
BENEFICIAL INTEREST IN NET ASSETS OF FOUNDATION	19,693,885.	17,562,408.
TOTAL TO FORM 990, PART IV, LINE 58	23,817,253.	20,961,618.



FORM 990	TAX-EXEMPT BOND LIABILITIES OUTSTANDING	STATEMENT	5
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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.
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FORM 990	OTHER REVENUE NOT INCLUDED ON FORM 990	STATEMENT	6
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DESCRIPTION	AMOUNT
CHANGE IN VALUE OF SPLIT INTEREST AGREEMENTS	<174,084.>
TOTAL TO FORM 990, PART IV-A	<174,084.>

FORM 990	OTHER REVENUE INCLUDED ON FORM 990	STATEMENT	7
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DESCRIPTION	AMOUNT
INDIRECT SUPPORT FROM THE CRADLE FOUNDATION THROUGH CASH DISTRIBUTIONS	1,566,873.
TOTAL TO FORM 990, PART IV-A	1,566,873.

FORM 990	IDENTIFICATION OF RELATED ORGANIZATIONS PART VI, LINE 80B	STATEMENT	8
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NAME OF ORGANIZATION	EXEMPT	NONEXEMPT
THE CRADLE FOUNDATION	X	
CRADLE ADOPTION PARTNERS, NFP	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

SPOUSES

INDIVIDUAL'S NAME

TITLE OR ROLE

GALE SAYERS

DIRECTOR

INDIVIDUAL'S NAME

TITLE OR ROLE

ARDYTHE SAYERS

DIRECTOR

EXPLANATION OF RELATIONSHIP

SPOUSES

FORM 990

PART VIII - RELATIONSHIP OF ACTIVITIES TO ACCOMPLISHMENT OF EXEMPT PURPOSES

STATEMENT 10

LINE	EXPLANATION OF RELATIONSHIP OF ACTIVITIES
93A	FEEs FOR PROVIDING ADOPTION AND POST-PLACEMENT SERVICES.
93G	GRANT MONIES RECEIVED FOR THE HEALTHY BLACK INFANT PROGRAM.
103A	OTHER REVENUE FROM ANCILLARY SERVICES.
103B	FEEs RECEIVED FROM AFFILIATED ENTITIES FOR PERFORMING ADMINISTRATIVE SERVICES, WHICH INCLUDE HUMAN RESOURCES, ACCOUNTING, MARKETING AND COMMUNICATIONS, ADVOCACY, AND TRAINING.

SCHEDULE A OTHER INCOME STATEMENT 11

DESCRIPTION	2006 AMOUNT	2005 AMOUNT	2004 AMOUNT	2003 AMOUNT
MISCELLANEOUS REVENUE	3,613.	7,173.	607.	661.
INT'L COST REIMBURSEMENT	0.	0.	45,650.	39,170.
ADMINISTRATION FEE	216,414.	0.	0.	0.
TOTAL TO SCHEDULE A, LINE 22	220,027.	7,173.	46,257.	39,831.