

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)

OMB No. 1545-0047

2005

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

Please use IRS label or print or type See Specific Instructions

C Name of organization

THE CRADLE FOUNDATION

Number and street (or P.O. box if mail is not delivered to street address)

2049 RIDGE AVENUE

City or town, state or country, and ZIP + 4

EVANSTON, IL 60201

D Employer identification number

45-0506764

E Telephone number

847-475-5800

F Accounting method ☐ Cash ☒ Accrual
☐ Other (specify) ▶

• 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**

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

G Website: **WWW.CRADLE.ORG**

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

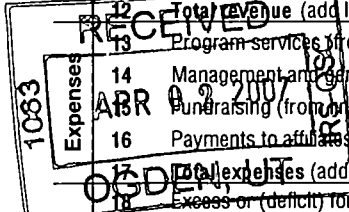
K Check here ☐ if the organization's gross receipts are normally not more than \$25,000. The organization need not file a return with the IRS; but if the organization chooses to file a return, be sure to file a complete return. **Some states require a complete return.**

L Gross receipts: Add lines 6b, 8b, 9b, and 10b to line 12 ▶ **7,185,021.**

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	3,881,759.		
b	Indirect public support	1b			
c	Government contributions (grants)	1c			
d	Total (add lines 1a through 1c) (cash \$ 3,639,113. noncash \$ 242,646.)	1d	3,881,759.		
2	Program service revenue including government fees and contracts (from Part VII, line 93)	2			
3	Membership dues and assessments	3			
4	Interest on savings and temporary cash investments	4	24,394.		
5	Dividends and interest from securities	5	321,439.		
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 ▶)	7			
8 a	Gross amount from sales of assets other than inventory	(A) Securities		(B) Other	
		2,782,476.	8a		
b	Less: cost or other basis and sales expenses	2,612,290.	8b		
c	Gain or (loss) (attach schedule)	170,186.	8c		
d	Net gain or (loss) (combine line 8c, columns (A) and (B)) STMT 1	8d	170,186.		
9	Special events and activities (attach schedule). If any amount is from gaming, check here <input checked="" type="checkbox"/>				
a	Gross revenue (not including \$ 307,197. of contributions reported on line 1a)	9a	169,140.		
b	Less: direct expenses other than fundraising expenses	9b	135,828.		
c	Net income or (loss) from special events (subtract line 9b from line 9a) SEE STATEMENT 2	9c	33,312.		
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	5,813.		
12	Total revenue (add lines 1d, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11)	12	4,436,903.		
13	Program services (from line 44, column (B))	13	2,868,721.		
14	Management and general (from line 44, column (C))	14	217,505.		
15	Fundraising (from line 44, column (D))	15	852,480.		
16	Payments to affiliates (attach schedule)	16			
17	Total expenses (add lines 16 and 44, column (A))	17	3,938,706.		
18	Excess or (deficit) for the year (subtract line 17 from line 12)	18	498,197.		
19	Net assets or fund balances at beginning of year (from line 73, column (A))	19	15,871,121.		
20	Other changes in net assets or fund balances (attach explanation) SEE STATEMENT 3	20	765,749.		
21	Net assets or fund balances at end of year (combine lines 18, 19, and 20)	21	17,135,067.		

SCANNED APR 16 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 8b, 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>2,848,471.</u> , noncash \$ <u>0.</u> If this amount includes foreign grants, check here <input type="checkbox"/>	22 2,848,471.	2,848,471.	STATEMENT 6	
23 Specific assistance to individuals (attach schedule)	23 20,250.	20,250.	STATEMENT 7	
24 Benefits paid to or for members (attach schedule)	24			
25 Compensation of officers, directors, etc **	25 248,985.	0.	0.	248,985.
26 Other salaries and wages	26 406,392.		82,819.	323,573.
27 Pension plan contributions	27 4,167.		1,517.	2,650.
28 Other employee benefits	28 74,668.		10,775.	63,893.
29 Payroll taxes	29 31,089.		6,336.	24,753.
30 Professional fundraising fees	30			
31 Accounting fees	31 10,817.		10,817.	
32 Legal fees	32 5,800.			5,800.
33 Supplies	33 11,619.		6,402.	5,217.
34 Telephone	34 5,502.		3,964.	1,538.
35 Postage and shipping	35 22,105.			22,105.
36 Occupancy	36 24,354.		21,280.	3,074.
37 Equipment rental and maintenance	37 22,998.		14,471.	8,527.
38 Printing and publications	38 36,647.			36,647.
39 Travel	39 27,513.		6.	27,507.
40 Conferences, conventions, and meetings	40 10,496.		3,830.	6,666.
41 Interest	41			
42 Depreciation, depletion, etc (attach schedule)	42 1,278.		1,278.	
43 Other expenses not covered above (itemize)				
a	43a			
b	43b			
c	43c			
d	43d			
e	43e			
f	43f			
g SEE STATEMENT 4	43g 125,555.		54,010.	71,545.
44 Total functional expenses. Add lines 22 through 43 (Organizations completing columns (B)-(D), carry these totals to lines 13-15)	44 3,938,706.	2,868,721.	217,505.	852,480.

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

Form 990 (2005)

** SEE STATEMENT 5

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? ►

SUPPORT THE OPERATIONS OF THE CRADLE.

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.)

Program Service Expenses
(Required for 501(c)(3) and (4) orgs., and 4947(a)(1) trusts; but optional for others.)

a THE CRADLE FOUNDATION RAISES AND MANAGES FUNDS TO SUPPORT THE CRADLE. IN 2006, FOUNDATION FUNDS HELPED THE CRADLE PROVIDE COUNSELING, SUPPORT AND EDUCATION TO THOUSANDS OF INDIVIDUALS AND TO PLACE 225 CHILDREN IN ADOPTIVE FAMILIES.

(Grants and allocations \$ 2,848,471.) If this amount includes foreign grants, check here ► ☐

2,868,721.

b

(Grants and allocations \$) If this amount includes foreign grants, check here ► ☐

c

(Grants and allocations \$) If this amount includes foreign grants, check here ► ☐

d

(Grants and allocations \$) If this amount includes foreign grants, check here ► ☐

e Other program services (attach schedule)

(Grants and allocations \$) If this amount includes foreign grants, check here ► ☐

f Total of Program Service Expenses (should equal line 44, column (B), Program services) ► 2,868,721.

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	98,460.	45	256,685.
	46 Savings and temporary cash investments	525,340.	46	364,467.
	47 a Accounts receivable	47a 48,008.		
	b Less: allowance for doubtful accounts	47b	47c	48,008.
	48 a Pledges receivable	48a 2,600,438.		
	b Less: allowance for doubtful accounts	48b	48c	2,600,438.
	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	10,816.	53	14,328.
	54 Investments - securities STMT 8 <input type="checkbox"/> Cost <input checked="" type="checkbox"/> FMV	14,081,738.	54	14,014,792.
	55 a Investments - land, buildings, and equipment: basis	55a 3,835.		
	b Less: accumulated depreciation	55b 1,918.	55c	1,917.
56 Investments - other		56		
57 a Land, buildings, and equipment: basis	57a			
b Less: accumulated depreciation	57b	57c		
58 Other assets (describe ▶ BEQUEST RECEIVABLE)	25,000.	58	25,000.	
59 Total assets (must equal line 74) Add lines 45 through 58	15,983,187.	59	17,325,635.	
Liabilities	60 Accounts payable and accrued expenses	112,066.	60	142,430.
	61 Grants payable		61	
	62 Deferred revenue		62	13,065.
	63 Loans from officers, directors, trustees, and key employees		63	
	64 a Tax-exempt bond liabilities		64a	
	b Mortgages and other notes payable		64b	
	65 Other liabilities (describe ▶ CHARITABLE GIFT ANNUITY)		65	35,073.
66 Total liabilities. Add lines 60 through 65)	112,066.	66	190,568.	
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	13,114,397.	67	12,691,204.
	68 Temporarily restricted	1,609,449.	68	2,048,456.
	69 Permanently restricted	1,147,275.	69	2,395,407.
	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)	15,871,121.	73	17,135,067.
74 Total liabilities and net assets/fund balances. Add lines 66 and 73	15,983,187.	74	17,325,635.	

Form 990 (2005)

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	5,338,480.
b	Amounts included on line a but not on Part I, line 12:		
1	Net unrealized gains on investments	b1	765,749.
2	Donated services and use of facilities	b2	
3	Recoveries of prior year grants	b3	
4	Other (specify):	b4	
	Add lines b1 through b4	b	765,749.
c	Subtract line b from line a	c	4,572,731.
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): SEE STATEMENT 10	d2	<135,828.>
	Add lines d1 and d2	d	<135,828.>
e	Total revenue (Part I, line 12). Add lines c and d	e	4,436,903.

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

a	Total expenses and losses per audited financial statements	a	1,226,063.
b	Amounts included on line a but not on Part I, line 17:		
1	Donated services and use of facilities	b1	
2	Prior year adjustments reported on Part I, line 20	b2	
3	Losses reported on Part I, line 20	b3	
4	Other (specify): SEE STATEMENT 9	b4	135,828.
	Add lines b1 through b4	b	135,828.
c	Subtract line b from line a	c	1,090,235.
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): SEE STATEMENT 11	d2	2,848,471.
	Add lines d1 and d2	d	2,848,471.
e	Total expenses (Part I, line 17). Add lines c and d	e	3,938,706.

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
BROOK VOSS 2049 RIDGE AVENUE EVANSTON, ILLINOIS 60201	PRESIDENT 40.00	125,099.	19,927.	0.
JENNIFER MERDINGER 2049 RIDGE AVENUE EVANSTON, ILLINOIS 60201	SENIOR DEVELOPMENT OFFICER 40.00	85,443.	18,516.	0.
SEE ATTACHED FOR NON-COMPENSATED BOARD OF DIRECTORS	0.00	0.	0.	0.

Yes	No
-----	----

□

75b

X

75c

X

75d

x

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 NONE	(B) Loans and Advances	(C) Compensation	(D) Contributions to employee benefit plans & deferred compensation plans	(E) Expense account and other allowances

Yes	No
-----	----

76

x

77

X

78a

X

N/A

78b

79

X

80a

SEE STATEMENT 12

| 81a

0

81b

x

Form

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 N/A		
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?	X	
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?		
	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	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
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.
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	8
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

Form 990 (2005)

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					
b					
c					
d					
e					
f Medicare/Medicaid payments					
g Fees and contracts from government agencies					
94 Membership dues and assessments					
95 Interest on savings and temporary cash investments			14	24,394.	
96 Dividends and interest from securities			14	321,439.	
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			18	170,186.	
101 Net income or (loss) from special events					33,312.
102 Gross profit or (loss) from sales of inventory					
103 Other revenue:					
a MISCELLANEOUS					5,813.
b					
c					
d					
e					
104 Subtotal (add columns (B), (D), and (E))		0.		516,019.	39,125.
105 Total (add line 104, columns (B), (D), and (E))					555,144.

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).

SEE STATEMENT 13

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 <i>Brooke Voss</i>		Date <i>3-22-07</i>	Type or print name and title. <i>Brooke Voss President</i>
Paid Preparer's Use Only	Preparer's signature <i>Susan M. Greggo</i>	Date <i>3-21-07</i>	Check if self-employed <input type="checkbox"/>	Preparer's SSN or PTIN <i>P00595460</i>
	Firm's name (or yours if self-employed), address, and ZIP + 4 <i>WARADY & DAVIS LLP 1717 DEERFIELD ROAD, SUITE 300S DEERFIELD, ILLINOIS 60015</i>	EIN <i>36-2170602</i>	Phone no. <i>(847) 267-9600</i>	

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 FOUNDATION

Employer identification number

45 0506764

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
HUGH MATHIS 2049 RIDGE AVENUE, EVANSTON, IL 60201	SENIOR DEVEL 40.00	OFFICER 86,767.	5,658.	
BONNIE KRASNY 2049 RIDGE AVENUE, EVANSTON, IL 60201	EVENTS MANAGER 40.00	52,532.	11,386.	
Total number of other employees paid over \$50,000 ▶		0		

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
THE ALFORD GROUP, INC. 1603 ORRINGTON AVENUE, EVANSTON, IL 60201	CONSULTING	53,476.
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
NONE		
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.)

1 X

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.

- 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?

2a X

b Lending of money or other extension of credit?

2b X

c Furnishing of goods, services, or facilities?

2c X

d Payment of compensation (or payment or reimbursement of expenses if more than \$1,000)? **SEE PART V-A, FORM 990**

2d X

e Transfer of any part of its income or assets?

2e 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.)

3a X

b Do you have a section 403(b) annuity plan for your employees?

3b X

c During the year, did the organization receive a contribution of qualified real property interest under section 170(h)?

3c 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?

4a X

b Do you provide credit counseling, debt management, credit repair, or debt negotiation services?

4b 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
THE CRADLE	11A
FAMILY RESOURCE CENTER	11A

- 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.

N/A

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.)					
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					
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					
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					
23 Total of lines 15 through 22	0.	0.	0.	0.	0.
24 Line 23 minus line 17					
25 Enter 1% of line 23					
26 Organizations described on lines 10 or 11: a Enter 2% of amount in column (e), line 24					26a N/A
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 N/A
c Total support for section 509(a)(1) test: Enter line 24, column (e)					26c N/A
d Add: Amounts from column (e) for lines: 18 _____ 19 _____ 22 _____ 26b _____					26d N/A
e Public support (line 26c minus line 26d total)					26e N/A
f Public support percentage (line 26e (numerator) divided by line 26c (denominator))					26f N/A %
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:	(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:	(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)**

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?

Yes No**29**

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?

30

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?

31

If "Yes," please describe; if "No," please explain. (If you need more space, attach a separate statement.)

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?

32d

If you answered "No" to any of the above, please explain. (If you need more space, attach a separate statement.)

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?

33h

If you answered "Yes" to any of the above, please explain. (If you need more space, attach a separate statement.)

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?

34b

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

35

Schedule A (Form 990 or 990-EZ) 2005

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 -														
<table border="0"> <tr> <td>If the amount on line 40 is -</td> <td>The lobbying nontaxable amount is -</td> </tr> <tr> <td>Not over \$500,000</td> <td>20% of the amount on line 40</td> </tr> <tr> <td>Over \$500,000 but not over \$1,000,000</td> <td>\$100,000 plus 15% of the excess over \$500,000</td> </tr> <tr> <td>Over \$1,000,000 but not over \$1,500,000</td> <td>\$175,000 plus 10% of the excess over \$1,000,000</td> </tr> <tr> <td>Over \$1,500,000 but not over \$17,000,000</td> <td>\$225,000 plus 5% of the excess over \$1,500,000</td> </tr> <tr> <td>Over \$17,000,000</td> <td>\$1,000,000</td> </tr> </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	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	41	
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														
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 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
	(a) 2005	(b) 2004	(c) 2003	(d) 2002	(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 11 of the instructions.)

N/A

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
		0.

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

Exempt Organizations (See page 12 of the instructions.)

a Transfers from the reporting organization to a noncharitable exempt organization of:

- (ii) Other assets**

(i) Sales or exchanges of assets with a noncharitable exempt organization

- (iii) Rental of facilities, equipment, or other assets

- (v) Loans or loan guarantees**

- (vi) Performance of services or membership or fundraising solicitations**

c Sharing of facilities, equipment, mailing lists, other assets, or paid employees

N/A

	Yes	No
51a(i)		X
a(ii)		X
b(i)		X
b(ii)		X
b(iii)		X
b(iv)		X
b(v)		X
b(vi)		X
c		X

[illegible]

▶ ☐ Yes ☒ No

N/A

[illegible]

FORM 990	GAIN (LOSS) FROM PUBLICLY TRADED SECURITIES	STATEMENT	1
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DESCRIPTION	GROSS SALES PRICE	COST OR OTHER BASIS	EXPENSE OF SALE	NET GAIN OR (LOSS)
SEE ATTACHED SCHEDULE	2,597,692.	2,612,290.	0.	<14,598.>
	184,784.	0.	0.	184,784.
TO FORM 990, PART I, LINE 8	2,782,476.	2,612,290.	0.	170,186.

FORM 990	SPECIAL EVENTS AND ACTIVITIES	STATEMENT	2
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DESCRIPTION OF EVENT	GROSS RECEIPTS	CONTRIBUT. INCLUDED	GROSS REVENUE	DIRECT EXPENSES	NET INCOME
CRADLE BALL	36,525.	34,775.	1,750.	5,128.	<3,378.>
OPEN HOUSE	15,110.	2,685.	12,425.	9,735.	2,690.
ARLINGTON	61,959.	27,877.	34,082.	17,710.	16,372.
AUTO SHOW	216,381.	158,173.	58,208.	48,985.	9,223.
GOLF OUTING	119,052.	70,187.	48,865.	46,849.	2,016.
NIGHT OF PROMISE	27,310.	13,500.	13,810.	7,421.	6,389.
TO FM 990, PART I, LINE 9	476,337.	307,197.	169,140.	135828.	33,312.

FORM 990	OTHER CHANGES IN NET ASSETS OR FUND BALANCES	STATEMENT	3
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DESCRIPTION	AMOUNT
UNREALIZED GAINS/(LOSSES) ON INVESTMENTS	765,749.
TOTAL TO FORM 990, PART I, LINE 20	765,749.

The Cradle Foundation
EIN 45-0506764

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

	(a)	(b)	(c)	(b)x(c)=(d)	(a)-(d)
<u>Fund/Date</u>	<u>Transfer to Cash</u>	<u>Shares</u>	<u>Price at 9/30/05</u>	<u>Cost</u>	<u>Gain (Loss)</u>
iShares Russell 100 Index Fund					
10/3/05	\$ 249,826.90	3,791 000	\$ 66.89	\$ 253,579.99	\$ 3,753.09
11/7/05	\$ 201,745.80	3,060 000	\$ 66.89	\$ 204,683.40	\$ 2,937.60
8/1/06	\$ 115,127.20	1,670 000	\$ 66.89	\$ 111,706.30	\$ (3,420.90)
	<u>\$ 566,699.90</u>			<u>\$ 569,969.69</u>	<u>\$ 3,269.79</u>
Neuberger Berman Genesis					
10/25/05	\$ 50,000.00	1,496 558	\$ 34.93	\$ 52,274.77	\$ 2,274.77
7/27/06	\$ 15,000.00	445 765	\$ 34.93	\$ 15,570.57	\$ 570.57
	<u>\$ 65,000.00</u>			<u>\$ 67,845.34</u>	<u>\$ 2,845.34</u>
Delafield Fund					
7/27/06	\$ 34,000.00	1,388 889	\$ 25.94	\$ 36,027.78	\$ 2,027.78
8/15/2006	\$ 424,991.85	17,136 768	\$ 25.94	\$ 444,527.76	\$ 19,535.91
	<u>\$ 458,991.85</u>			<u>\$ 480,555.54</u>	<u>\$ 21,563.69</u>
GMO Foreign Fund					
7/18/2006	\$ 100,000.00	6,317 119	\$ 15.77	\$ 99,620.97	\$ (379.03)
	<u>\$ 100,000.00</u>			<u>\$ 99,620.97</u>	<u>\$ (379.03)</u>
EuroPacific Growth Fund					
7/20/2006	\$ 100,000.00	2,351 834	\$ 40.31	\$ 94,802.43	\$ (5,197.57)
8/3/2006	\$ 82,000.00	1,841 042	\$ 40.31	\$ 74,212.40	\$ (7,787.60)
	<u>\$ 182,000.00</u>			<u>\$ 169,014.83</u>	<u>\$ (12,985.17)</u>
PIMCO Total Return Fund					
10/24/05	\$ 50,000.00	4,721 435	\$ 10.65	\$ 50,283.28	\$ 283.28
	<u>\$ 50,000.00</u>			<u>\$ 50,283.28</u>	<u>\$ 283.28</u>
Vanguard Prime Portfolio					
11/1/05	\$ 100,000.00	100,000 000	\$ 1.00	\$ 100,000.00	\$ -
12/6/05	\$ 200,000.00	200,000 000	\$ 1.00	\$ 200,000.00	\$ -
3/6/06	\$ 250,000.00	250,000 000	\$ 1.00	\$ 250,000.00	\$ -
5/8/06	\$ 200,000.00	200,000 000	\$ 1.00	\$ 200,000.00	\$ -
6/28/06	\$ 250,000.00	250,000 000	\$ 1.00	\$ 250,000.00	\$ -
9/13/2006	\$ 175,000.00	175,000 000	\$ 1.00	\$ 175,000.00	\$ -
	<u>\$ 1,175,000.00</u>			<u>\$ 1,175,000.00</u>	<u>\$ -</u>
Subtotals	<u>\$ 2,597,691.75</u>			<u>\$ 2,612,289.66</u>	<u>\$ 14,597.91</u>
Capital Gain Distributions	<u>\$ 184,784.23</u>				<u>\$ 184,784.23</u>
Totals	<u><u>\$ 2,782,475.98</u></u>			<u><u>\$ 2,612,289.66</u></u>	<u><u>\$ 199,382.14</u></u>

FORM 990	OTHER EXPENSES			STATEMENT 4
DESCRIPTION	(A) TOTAL	(B) PROGRAM SERVICES	(C) MANAGEMENT AND GENERAL	(D) FUNDRAISING
FOOD AND BEVERAGE	3,257.		40.	3,217.
INTERNET EXPENSE	2,094.		2,094.	
CONSULTING	57,261.		3,596.	53,665.
TEMPORARY HELP	5,690.		6.	5,684.
EDUCATION AND RESEARCH	6,378.			6,378.
OTHER EVENT EXPENSES	829.			829.
OTHER EXPENSES	3,675.		1,903.	1,772.
INVESTMENT AND BANKING FEES	7,324.		7,324.	
INSURANCE	17,027.		17,027.	
ALLOCATED DEPRECIATION	22,020.		22,020.	
TOTAL TO FM 990, LN 43	125,555.		54,010.	71,545.

FORM 990	OFFICER COMPENSATION ALLOCATION	STATEMENT	5
	PART II, LINE 25		

NAME OF OFFICER, ETC.	COMPENSATION	EMPLOYEE BEN. PLANS	EXPENSE ACCOUNTS	TOTALS
BROOKE VOSS	125,099.	19,927.		145,026.
A. PROGRAM SERVICES				
B. MANAGEMENT AND GENERAL				
C. FUNDRAISING	125,099.	19,927.		145,026.

NAME OF OFFICER, ETC.	COMPENSATION	EMPLOYEE BEN. PLANS	EXPENSE ACCOUNTS	TOTALS
JENNIFER MERDINGER	85,443.	18,516.		103,959.
A. PROGRAM SERVICES				
B. MANAGEMENT AND GENERAL				
C. FUNDRAISING	85,443.	18,516.		103,959.

TOTAL PROGRAM SERVICES				
TOTAL MANAGEMENT AND GENERAL				
TOTAL FUNDRAISING				248,985.
TOTAL OFFICER, ETC., COMPENSATION INCLUDED ON PARTS V-A AND V-B				248,985.

FORM 990	CASH GRANTS AND ALLOCATIONS	STATEMENT	6
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CLASSIFICATION	DONEE'S NAME	DONEE'S ADDRESS	DONEE'S RELATIONSHIP	AMOUNT
OPERATING SUPPORT	THE CRADLE	2049 RIDGE AVENUE, EVANSTON, IL 60201	SUPPORTED ORGANIZATION	2,848,471.
TOTAL INCLUDED ON FORM 990, PART II, LINE 22				2,848,471.

FORM 990	SPECIFIC ASSISTANCE TO INDIVIDUALS	STATEMENT	7
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DESCRIPTION	AMOUNT
SEE ATTACHED SCHEDULE	20,250.
TOTAL TO FORM 990, PART II, LINE 23	20,250.

FORM 990	NON-GOVERNMENT SECURITIES	STATEMENT	8
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SECURITY DESCRIPTION	COST/FMV	CORPORATE STOCKS	CORPORATE BONDS	OTHER PUBLICLY TRADED SECURITIES	TOTAL NON-GOV'T SECURITIES
BOND FUNDS	FMV		3,422,198.		3,422,198.
COMMON STOCKS FUNDS	FMV	10592594.			10592594.
TO FORM 990, LINE 54, COL B		10592594.	3,422,198.		14014792.

FORM 990	OTHER EXPENSES NOT INCLUDED ON FORM 990	STATEMENT	9
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DESCRIPTION	AMOUNT
SPECIAL EVENTS EXPENSE REPORTED ON LINE 9	135,828.
TOTAL TO FORM 990, PART IV-B	135,828.

FORM 990	OTHER REVENUE INCLUDED ON FORM 990	STATEMENT	10
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DESCRIPTION	AMOUNT
SPECIAL EVENTS EXPENSE REPORTED ON LINE 9	<135,828.>
TOTAL TO FORM 990, PART IV-A	<135,828.>

FORM 990	OTHER EXPENSES INCLUDED ON FORM 990	STATEMENT 11
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DESCRIPTION	AMOUNT
INDIRECT SUPPORT OF THE CRADLE THROUGH CASH DISTRIBUTIONS	2,848,471.
TOTAL TO FORM 990, PART IV-B	2,848,471.

FORM 990	IDENTIFICATION OF RELATED ORGANIZATIONS PART VI, LINE 80B	STATEMENT 12
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NAME OF ORGANIZATION	EXEMPT	NONEXEMPT
THE CRADLE	X	
CRADLE FAMILY RESOURCE CENTER	X	
FAMILY RESOURCE CENTER	X	

FORM 990	PART VIII - RELATIONSHIP OF ACTIVITIES TO ACCOMPLISHMENT OF EXEMPT PURPOSES	STATEMENT 13
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LINE	EXPLANATION OF RELATIONSHIP OF ACTIVITIES
101	REPRESENTS INCOME DERIVED FORM FUNDRAISING EVENTS SPONSORED BY THE FOUNDATION. THE EVENTS SERVE TO PROMOTE THE CHARITABLE ACTIVITIES OF THE FOUNDATION BY INFORMING THE COMMUNITY OF THE FOUNDATION AND ITS EFFORTS. SUCH AWARENESS FOSTERS CONTINUED SUPPORT FOR THE CRADLE.
103A	REPRESENTS INCOME FROM THE CRADLE CARES & CRADLE CONNECTIONS PROGRAMS.

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 ☒ **X**
 - 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	Employer identification number
	THE CRADLE FOUNDATION	45-0506764
	Number, street, and room or suite no. If a P.O. box, see instructions.	
	2049 RIDGE AVENUE	
File by the due date for filing your return. See instructions	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.

- 1 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**
- 2 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.

LHA For Privacy Act and Paperwork Reduction Act Notice, see instructions.

Form 8868 (Rev. 12-2004)

The Cradle Foundation
EIN 45-0506764

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)
Asher	Roberta	(1)	Director	32
Bode	James	(1)	Director	32
Connelly	James	(1)	Vice Chair/Secretary	56
Fauerbach	Therese	(1)	Director	20
Fisch	Mary	(1)	Director	16
Guglielmi	Rob	(1)	Director	16
King	Martha	(1)	Director	36
Herchenbach	Andrea	(1)	Director	16
Macy	Lawrence	(1)	Treasurer	52
Rands	William	(1)	Director	16
Sargent	Cynthia	(1)	Chair	56
Singer	Beth Bronner	(1)	Director	20
Swan	Peter G.	(1)	Director	16
Timm	Daniel	(1)	Director	52

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

The Cradle Foundation
EIN 45-0506764

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 54, Investments

Description	Market Value at 9/30/06
iShares Russell 1000 Index Fund	7,413,124
Neuberger Berman Genesis Fund	431,193
Stratton Small-Cap Value Fund	426,776
Total U.S. Stock Funds	8,271,093
GMO Foreign Fund	1,176,439
Euro-Pacific Growth Fund A	1,145,062
Total Non-U.S. Stock Funds	2,321,501
PIMCO Total Return Fund	2,257,062
Vanguard Short-Term Investmen Grade-Admiral	1,165,136
Total Bond Funds	3,422,198
Total Investments	14,014,792

Part IV, Line 46, Temporary Cash Investments

Description	Market Value at 9/30/06
Vanguard Prime Portfolio	364,467
Total Money Market Funds	364,467

The Cradle Foundation
EIN 45-0506764

Statement Attached to and Made Part of Form 990
Return of Organization Exempt from Income Tax
For the Year Ended September 30, 2006
0

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

<u>Asset</u>	<u>Balance at</u> <u>9/30/2005</u>	<u>FY 2006</u> <u>Additions</u>	<u>FY 2006</u> <u>Disposals</u>	<u>Balance at</u> <u>9/30/2006</u>
Computer Software	3,835.00			3,835.00
Total	3,835.00	-	-	3,835.00

<u>Accumulated Depreciation</u>	<u>Balance at</u> <u>9/30/2005</u>	<u>FY 2006</u> <u>Provision</u>	<u>FY 2006</u> <u>Disposals</u>	<u>Balance at</u> <u>9/30/2006</u>
Computer Software	639.17	1,278.33		1,917.50
Total	639.17	1,278.33	-	1,917.50

<u>Net</u>	<u>Balance at</u> <u>9/30/2005</u>	<u>FY 2006</u> <u>Additions</u>	<u>FY 2006</u> <u>Disposals</u>	<u>Balance at</u> <u>9/30/2006</u>
Computer Software	3,195.83	(1,278.33)	-	1,917.50
Total	3,195.83	(1,278.33)	-	1,917.50

**The Cradle Foundation
EIN 45-0506764**

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

Part II, Line 23, Specific Assistance to Individuals

\$20,250 represents gift assistance provided on behalf of children meeting donor criteria
Amounts ranging between \$350 and \$1,500 were paid on behalf of 26 adopted children