

Form **990**Department of the Treasury
Internal Revenue Service**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

2006Open to Public
Inspection

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

A For the 2006 calendar year, or tax year beginning **OCT 1, 2006** and ending **SEP 30, 2007****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
Instruc-
tions**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).**G** Website: **WWW.CRADLE.ORG****J** Organization type (check only) ☒ 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** 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 or-
ganization 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 **6,733,081.****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**

1 Contributions, gifts, grants, and similar amounts received:				
a Contributions to donor advised funds		1a		
b Direct public support (not included on line 1a)		1b	3,234,270.	
c Indirect public support (not included on line 1a)		1c		
d Government contributions (grants) (not included on line 1a)		1d		
e Total (add lines 1a through 1d) (cash \$ 2,628,709. noncash \$ 605,561.)		1e	3,234,270.	
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	58,753.	
5 Dividends and interest from securities		5	378,864.	
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	
		2,564,133.	8a	
b Less: cost or other basis and sales expenses		2,317,777.	8b	
c Gain or (loss) (attach schedule)		246,356.	8c	
d Net gain or (loss). Combine line 8c, columns (A) and (B) STMT 2		8d	246,356.	
9 Special events and activities (attach schedule). If any amount is from gaming, check here <input checked="" type="checkbox"/>				
a Gross revenue (not including \$ 454,380. of contributions reported on line 1b)		9a	336,446.	
b Less: direct expenses other than fundraising expenses		9b	293,287.	
c Net income or (loss) from special events. Subtract line 9b from line 9a SEE STATEMENT 3		9c	43,159.	
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	160,615.	
12 Total revenue. Add lines 1e, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11		12	4,122,017.	
13 Program services (from line 44, column (B))		13	1,961,650.	
14 Management and general (from line 44, column (C))		14	229,146.	
15 Fundraising (from line 44, column (D))		15	908,428.	
16 Payments to affiliates (attach schedule)		16		
17 Total expenses. Add lines 16 and 14, column (A)		17	3,099,224.	
18 Excess or deficit for the year. Subtract line 17 from line 12		18	1,022,793.	
19 Net assets or fund balances at beginning of year (from line 73, column (A))		19	17,135,067.	
20 Other changes in net assets or fund balances (attach explanation) SEE STATEMENT 4		20	1,536,025.	
21 Net assets or fund balances at end of year. Combine lines 18, 19, and 20		21	19,693,885.	

832001
01-18-07

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

Form 990 (2006)

SCANNED MAR 04 2008

RECEIVED
FEB 10 2008
GOLDEN UT

G17

20

Part II Statement of Functional Expenses

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

Do not include amounts reported on line 6b, 8b, 9b, 10b, or 16 of Part I.	(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
22a 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"/>				
22b Other grants and allocations (attach schedule) (cash \$ <u>1,916,650.</u> noncash \$ <u>0.</u>) If this amount includes foreign grants, check here <input type="checkbox"/>	22b 1,916,650.	1,916,650.	STATEMENT 6	
23 Specific assistance to individuals (attach schedule) STATEMENT 7	23 45,000.	45,000.		
24 Benefits paid to or for members (attach schedule)	24			
25a Compensation of current officers, directors, key employees, etc. listed in Part V-A	25a 260,804.	0.		260,804.
b Compensation of former officers, directors, key employees, etc. listed in Part V-B	25b 0.	0.	0.	0.
c 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)	25c			
26 Salaries and wages of employees not included on lines 25a, b, and c	26 391,192.		85,424.	305,768.
27 Pension plan contributions not included on lines 25a, b, and c	27 4,647.		641.	4,006.
28 Employee benefits not included on lines 25a - 27	28 63,485.		14,205.	49,280.
29 Payroll taxes	29 46,812.		6,535.	40,277.
30 Professional fundraising fees	30			
31 Accounting fees	31 16,256.		15,431.	825.
32 Legal fees	32 18,079.			18,079.
33 Supplies	33 10,931.		5,896.	5,035.
34 Telephone	34 7,168.		5,307.	1,861.
35 Postage and shipping	35 22,886.			22,886.
36 Occupancy	36 26,171.		19,940.	6,231.
37 Equipment rental and maintenance	37 23,745.		13,703.	10,042.
38 Printing and publications	38 83,887.			83,887.
39 Travel	39 30,321.		6.	30,315.
40 Conferences, conventions, and meetings	40 16,125.		3,900.	12,225.
41 Interest	41			
42 Depreciation, depletion, etc. (attach schedule)	42 23,357.		23,357.	
43 Other expenses not covered above (itemize):				
a	43a			
b	43b			
c	43c			
d	43d			
e	43e			
f	43f			
g SEE STATEMENT 5	43g 91,708.		34,801.	56,907.
44 Total functional expenses. Add lines 22a through 43g. (Organizations completing columns (B)-(D), carry these totals to lines 13-15)	44 3,099,224.	1,961,650.	229,146.	908,428.

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? ►

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 2007, FOUNDATION FUNDS HELPED THE CRADLE PROVIDE COUNSELING, SUPPORT AND EDUCATION TO THOUSANDS OF INDIVIDUALS AND TO PLACE 175 CHILDREN WITH LOVING ADOPTIVE FAMILIES.

(Grants and allocations \$ 1,916,650.) If this amount includes foreign grants, check here ► ☐ 1,961,650.

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) ► 1,961,650.

Form 990 (2006)

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	256,685.	45	205,124.
	46 Savings and temporary cash investments	364,467.	46	1,439,468.
	47 a Accounts receivable	47a 248,895.		
	b Less: allowance for doubtful accounts	47b	47c 48,008.	248,895.
	48 a Pledges receivable	48a 1,749,107.		
	b Less: allowance for doubtful accounts	48b	48c 2,600,438.	1,749,107.
	49 Grants receivable		49	12,000.
	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	14,328.	53	15,517.
	54 a Investments - publicly-traded securities STMT 8 <input type="checkbox"/> Cost <input checked="" type="checkbox"/> FMV	14,014,792.	54a	16,221,407.
	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 5,448.			
b Less: accumulated depreciation	57b 3,465.	57c 1,917.	1,983.	
58 Other assets, including program-related investments (describe <input type="checkbox"/>)	25,000.	58		
59 Total assets (must equal line 74). Add lines 45 through 58	17,325,635.	59	19,893,501.	
Liabilities	60 Accounts payable and accrued expenses	142,430.	60	147,418.
	61 Grants payable		61	
	62 Deferred revenue	13,065.	62	355.
	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 <input type="checkbox"/> CHARITABLE GIFT ANNUITY)	35,073.	65	51,843.
66 Total liabilities. Add lines 60 through 65	190,568.	66	199,616.	
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 67 through 69 and lines 73 and 74.			
	67 Unrestricted	12,691,204.	67	15,940,768.
	68 Temporarily restricted	2,048,456.	68	1,548,768.
	69 Permanently restricted	2,395,407.	69	2,204,349.
	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)	17,135,067.	73	19,693,885.
	74 Total liabilities and net assets/fund balances. Add lines 66 and 73	17,325,635.	74	19,893,501.

Form 990 (2006)

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	5,951,327.
b	Amounts included on line a but not on Part I, line 12:			
1	Net unrealized gains on investments	b1	1,536,023.	
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	1,536,023.
c	Subtract line b from line a		c	4,415,304.
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 10</u>	d2	<293,287.>	
	Add lines d1 and d2		d	<293,287.>
e	Total revenue (Part I, line 12). Add lines c and d		e	4,122,017.

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

a	Total expenses and losses per audited financial statements		a	1,475,861.
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): <u>SEE STATEMENT 9</u>	b4	293,287.	
	Add lines b1 through b4		b	293,287.
c	Subtract line b from line a		c	1,182,574.
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) <u>SEE STATEMENT 11</u>	d2	1,916,650.	
	Add lines d1 and d2		d	1,916,650.
e	Total expenses (Part I, line 17). Add lines c and d		e	3,099,224.

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
BROOKE VOSS 2049 RIDGE AVENUE EVANSTON, ILLINOIS 60201	PRESIDENT 40.00	131,352.	20,741.	0.
JENNIFER MERDINGER 2049 RIDGE AVENUE EVANSTON, ILLINOIS 60201	VICE PRESIDENT 40.00	89,263.	19,327.	0.
SEE ATTACHED FOR NON-COMPENSATED BOARD OF DIRECTORS	0.00	0.	0.	0.

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?	82a	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?	83a	X
b	Did the organization comply with the disclosure requirements relating to quid pro quo contributions?	83b	X
84 a	Did the organization solicit any contributions or gifts that were not tax deductible?	84a	X
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	84b	N/A
85	501(c)(4), (5), or (6) organizations. a Were substantially all dues nondeductible by members?	85a	N/A
b	Did the organization make only in-house lobbying expenditures of \$2,000 or less?	85b	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?	85g	N/A
h	If section 6033(e)(1)(A) dues notices were sent, does the organization agree to add the amount on line 85f to its reasonable estimate of dues allocable to nondeductible lobbying and political expenditures for the following tax year?	85h	N/A
86	501(c)(7) organizations. Enter: a Initiation fees and capital contributions included on line 12	86a	N/A
b	Gross receipts, included on line 12, for public use of club facilities	86b	N/A
87	501(c)(12) organizations. Enter: a Gross income from members or shareholders	87a	N/A
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them.)	87b	N/A
88 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	88a	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	88b	X
89 a	501(c)(3) organizations. Enter: Amount of tax imposed on the organization during the year under: section 4911 <u>0.</u> ; section 4912 <u>0.</u> ; section 4955 <u>0.</u>		
b	501(c)(3) and 501(c)(4) organizations. Did the organization engage in any section 4958 excess benefit transaction during the year or did it become aware of an excess benefit transaction from a prior year? If "Yes," attach a statement explaining each transaction	89b	X
c	Enter: Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958 <u>0.</u>		
d	Enter: Amount of tax on line 89c, above, reimbursed by the organization <u>0.</u>		
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?	89g	X
90 a	List the states with which a copy of this return is filed <u>IL</u>		
b	Number of employees employed in the pay period that includes March 12, 2006	90b	8
91 a	The books are in care of <u>ELLEN GIUDICE</u> Telephone no. <u>847-475-5800</u> Located at <u>2049 RIDGE AVENUE, EVANSTON, IL</u> ZIP + 4 <u>60201</u>		
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 <u>N/A</u> See the instructions for exceptions and filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.	91b	X

Form 990 (2006)

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

X

If "Yes," enter the name of the foreign country **N/A**

92 Section 4947(a)(1) nonexempt charitable trusts filing Form 990 in lieu of Form 1041- Check here

and enter the amount of tax-exempt interest received or accrued during the tax year

92

N/A

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

Note: Enter gross amounts unless otherwise indicated.

	Unrelated business income		Excluded by section 512, 513, or 514		(E) Related or exempt function income
	(A) Business code	(B) Amount	(C) Exclu- sion code	(D) Amount	
93 Program service revenue					
a					
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	58,753.	
96 Dividends and interest from securities			14	378,864.	
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	246,356.	
101 Net income or (loss) from special events					43,159.
102 Gross profit or (loss) from sales of inventory					
103 Other revenue:					
a MISCELLANEOUS					17,178.
b ADMINISTRATION FEE					143,437.
c					
d					
e					
104 Subtotal (add columns (B), (D), and (E))		0.		683,973.	203,774.
105 Total (add line 104, columns (B), (D), and (E))					887,747.

Note: Line 105 plus line 1e, 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

X No

(b) Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?

Yes

X No

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

Form 990 (2006)

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.

Yes	No

	(A) Name, address, of each controlled entity	(B) Employer Identification Number	(C) Description of transfer	(D) Amount of transfer
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.

Yes	No

	(A) Name, address, of each controlled entity	(B) Employer Identification Number	(C) Description of transfer	(D) Amount of transfer
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?

Yes	No

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 *Brooke Voss* Date *2-8-08* ^{BN}

☒ Type or print name and title *Brooke Voss President*

Paid Preparer's Use Only

Preparer's signature *Jose M. Guerrero* Date *2/5/08* Check if self-employed ☐ Preparer's SSN or PTIN (See Gen. Inst. X)

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

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

Form 990 (2006)

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

2006

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 2 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
HEIDI BLOOM 2049 RIDGE AVENUE, EVANSTON, IL 60201	MGR OF FD RELATIONS 40.00	50,894.	5,884.	
MAUREEN KELLY 2049 RIDGE AVENUE, EVANSTON, IL 60201	MGR ANNUAL GIVING 40.00	54,933.	11,827.	
BONNIE KRASNY 2049 RIDGE AVENUE, EVANSTON, IL 60201	EVENTS MANAGER 40.00	54,111.	13,904.	
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
NONE		
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.) 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.	1		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?	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 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.)	3a		X
b Did the organization have a section 403(b) annuity plan for its employees?	3b	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	3c		X
d Did the organization provide credit counseling, debt management, credit repair, or debt negotiation services?	3d		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	4a		X
b Did the organization make any taxable distributions under section 4966?	4b		
c Did the organization make a distribution to a donor, donor advisor, or related person?	4c		
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.

Schedule A (Form 990 or 990-EZ) 2006

Part IV Reason for Non-Private Foundation Status (See pages 4 through 7 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)(v). (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)(v). (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 7 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	
THE CRADLE	36-2181994	11A	X		1,916,650.
Total ▶					1,916,650.

- 14 ☐ An organization organized and operated to test for public safety. Section 509(a)(4). (See page 7 of the instructions.)

Schedule A (Form 990 or 990-EZ) 2006

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) 2005	(b) 2004	(c) 2003	(d) 2002	(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					
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 2002 through 2005 exceeded the amount shown in line 26a. Do not file this list with your return. Enter the total of all these excess amounts					
c Total support for section 509(a)(1) test: Enter line 24, column (e)					
d Add: Amounts from column (e) for lines: 18 _____ 19 _____ 22 _____ 26b _____					
e Public support (line 26c minus line 26d total)					
f Public support percentage (line 26e (numerator) divided by line 26c (denominator))					
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: (2005) _____ (2004) _____ (2003) _____ (2002) _____					
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: (2005) _____ (2004) _____ (2003) _____ (2002) _____					
c Add: Amounts from column (e) for lines: 15 _____ 16 _____ 17 _____ 20 _____ 21 _____					
d Add: Line 27a total _____ and line 27b total _____					
e Public support (line 27c total minus line 27d total)					
f Total support for section 509(a)(2) test: Enter amount on line 23, column (e)					
g Public support percentage (line 27e (numerator) divided by line 27f (denominator))					
h Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator))					
28 Unusual Grants: For an organization described in line 10, 11, or 12 that received any unusual grants during 2002 through 2005, 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)

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) 2006

Part VI-A Lobbying Expenditures by Electing Public Charities (See page 10 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		
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 13 of the instructions.)

Calendar year (or fiscal year beginning in) ▶	Lobbying Expenditures During 4-Year Averaging Period				N/A
	(a) 2006	(b) 2005	(c) 2004	(d) 2003	(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 13 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.)

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

Yes	No	Amount
		0.

51 Did the reporting organization directly or indirectly engage in any of the following with any other organization described in section 501(c) of the Code (other than section 501(c)(3) organizations) or in section 527, relating to political organizations?

- d** If the answer to any of the above is "Yes," complete the following schedule. Column (b) should always show the fair market value of the goods, other assets, or services given by the reporting organization. If the organization received less than fair market value in any transaction or sharing arrangement, show in column (d) the value of the goods, other assets, or services received:

	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

N/A

[illegible]

- ▶ ☐ Yes ☒ No

- N/A

[illegible]

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, 2007

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)	Treasurer	60
Barth	John	(1)	Director	16
Bode	James	(1)	Director	32
Connelly	James	(1)	Vice Chair/Secretary	56
Fauerbach	Therese	(1)	Director	52
Fisch	Mary	(1)	Director	32
Guglielmi	Rob	(1)	Director	16
Herchenbach	Andrea	(1)	Director	28
Ireland	Melville	(1)	Director	32
Macy	Lawrence	(1)	Director	36
Rands	William	(1)	Director	16
Sargent	Cynthia	(1)	Chair	56
Singer	Beth Bronner	(1)	Director	20
Swan	Peter G	(1)	Director	28
Thomas	Phyllis	(1)	Director	64
Ware	Griswald	(1)	Director	16

(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, 2007

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

<u>Asset</u>	<u>Balance at</u> <u>9/30/2006</u>	<u>FY 2007</u> <u>Additions</u>	<u>FY 2007</u> <u>Disposals</u>	<u>Balance at</u> <u>9/30/2007</u>
Computer Equipment	-	1,612.73		1,612.73
Computer Software	3,835.00			3,835.00
Total	3,835.00	1,612.73	-	5,447.73

<u>Accumulated Depreciation</u>	<u>Balance at</u> <u>9/30/2006</u>	<u>FY 2007</u> <u>Provision</u>	<u>FY 2007</u> <u>Disposals</u>	<u>Balance at</u> <u>9/30/2007</u>
Computer Equipment	-	268.79		268.79
Computer Software	1,917.50	1,278.33		3,195.83
Total	1,917.50	1,547.12	-	3,464.62

<u>Net</u>	<u>Balance at</u> <u>9/30/2006</u>	<u>FY 2007</u> <u>Additions</u>	<u>FY 2007</u> <u>Disposals</u>	<u>Balance at</u> <u>9/30/2007</u>
Computer Equipment	-	1,343.94	-	1,343.94
Computer Software	1,917.50	(1,278.33)	-	639.17
Total	1,917.50	65.61	-	1,983.11

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, 2007

Part IV, Line 54a, Investments-Publicly Traded Securities

Description	Market Value at 9/30/07
iShares Russell 1000 Index Fund	7,822,071
PowerShares FTSE RAFI US 1000	879,015
Neuberger Berman Genesis Fund	527,688
Stratton Small-Cap Value Fund	481,069
Total U.S. Stock Funds	9,709,843
GMO Foreign Fund	1,388,685
Euro-Pacific Growth Fund A	1,431,994
Total Non-U.S. Stock Funds	2,820,679
PIMCO Total Return Fund	2,446,826
Vanguard Short-Term Investment Grade-Admiral	1,244,059
Total Bond Funds	3,690,885
Total Investments	16,221,407

Part IV, Line 46, Temporary Cash Investments

Description	Market Value at 9/30/07
Vanguard Prime Portfolio	1,439,468
Total Money Market Funds	1,439,468

**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, 2007**

Part II, Line 23, Specific Assistance to Individuals

\$45,000 represents gift assistance provided on behalf of children meeting donor criteria
Amounts ranging between \$400 and \$1 500 were paid on behalf of 50 adopted children

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, 2007

Part I, Line 8, Sales of Assets other than Inventory

	(a)	(b)	(c)	(b)x(c)=(d)	(a)-(d)
Fund/Date	Gross Amount of Sales	Shares	Price at 9/30/06	Cost	Gain (Loss)
iShares Russell 100 Index Fund					
10/16/2006	\$ 398,888 60	5,460 000	\$ 72 24	\$ 394,430 40	\$ 4,458 20
12/20/2006	\$ 724,665 82	9,370 000	\$ 72 24	\$ 676,888.80	\$ 47,777 02
	\$ 1,123,554 42			\$ 1,071,319 20	\$ 52,235 22
GMO Foreign Fund					
10/10/2006	\$ 125,000 00	7,070 136	\$ 17 53	\$ 123,939.48	\$ 1,060.52
	\$ 125,000 00			\$ 123,939.48	\$ 1,060 52
EuroPacific Growth Fund					
10/20/2006	\$ 100,000 00	2,131 287	\$ 46 09	\$ 98,231 02	\$ 1,768 98
	\$ 100,000.00			\$ 98,231 02	\$ 1,768.98
PIMCO Total Return Fund			\$ 10 45		
9/26/2007	\$ 125,000 00	11,927 481	\$ 10 45	\$ 124,642.18	\$ 357 82
	\$ 125,000.00			\$ 124,642.18	\$ 357 82
Vanguard ST Investment Gr Adm			10.55		
9/26/2007	\$ 125,000 00	11,814 745	\$ 10 55	\$ 124,645 56	\$ 354 44
	\$ 125,000 00			\$ 124,645 56	\$ 354.44
Vanguard Prime Portfolio					
2/21/2007	\$ 300,000 00	300,000 000	\$ 1 00	\$ 300,000.00	\$ -
3/22/2007	\$ 200,000 00	200,000 000	\$ 1 00	\$ 200,000.00	\$ -
7/17/2007	\$ 225,000 00	225,000 000	\$ 1 00	\$ 225,000.00	\$ -
9/26/2007	\$ 50,000 00	50,000 000	\$ 1 00	\$ 50,000 00	\$ -
	\$ 775,000 00			\$ 775,000.00	\$ -
Subtotals	\$ 2,373,554.42			\$ 2,317,777.44	\$ 55,776.98
Capital Gain Distributions	\$ 190,578.83				\$ 190,578.83
Totals	\$ 2,564,133.25			\$ 2,317,777.44	\$ 246,355.81

FOOTNOTES

STATEMENT 1

OFFICERS' COMPENSATION ON PAGE 2, PART II, LINE 25A
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.

FORM 990	GAIN (LOSS) FROM PUBLICLY TRADED SECURITIES	STATEMENT	2
----------	---	-----------	---

DESCRIPTION	GROSS SALES PRICE	COST OR OTHER BASIS	EXPENSE OF SALE	NET GAIN OR (LOSS)
SEE ATTACHED SCHEDULE	2,373,554.	2,317,777.	0.	55,777.
	190,579.	0.	0.	190,579.
TO FORM 990, PART I, LINE 8	2,564,133.	2,317,777.	0.	246,356.

FORM 990	SPECIAL EVENTS AND ACTIVITIES	STATEMENT	3
----------	-------------------------------	-----------	---

DESCRIPTION OF EVENT	GROSS RECEIPTS	CONTRIBUT. INCLUDED	GROSS REVENUE	DIRECT EXPENSES	NET INCOME
CRADLE BALL	354,365.	230,745.	123,620.	137643.	<14,023.>
OPEN HOUSE	18,376.	6,776.	11,600.	12,790.	<1,190.>
CRADLE ASSOCIATES EVENT	67,530.	13,765.	53,765.	26,299.	27,466.
AUTO SHOW	190,764.	107,708.	83,056.	58,035.	25,021.
GOLF OUTING	121,376.	75,736.	45,640.	46,658.	<1,018.>
NIGHT OF PROMISE	38,415.	19,650.	18,765.	11,862.	6,903.
TO FM 990, PART I, LINE 9	790,826.	454,380.	336,446.	293287.	43,159.

FORM 990	OTHER CHANGES IN NET ASSETS OR FUND BALANCES	STATEMENT	4
----------	--	-----------	---

DESCRIPTION	AMOUNT
UNREALIZED GAINS/(LOSSES) ON INVESTMENTS	1,536,025.
TOTAL TO FORM 990, PART I, LINE 20	1,536,025.

FORM 990

OTHER EXPENSES

STATEMENT 5

DESCRIPTION	(A) TOTAL	(B) PROGRAM SERVICES	(C) MANAGEMENT AND GENERAL	(D) FUNDRAISING
FOOD AND BEVERAGE	7,264.		3,643.	3,621.
INTERNET EXPENSE	2,415.		2,415.	
CONSULTING	36,590.		210.	36,380.
TEMPORARY HELP	3,763.			3,763.
EDUCATION AND RESEARCH	5,531.			5,531.
OTHER EVENT EXPENSES	3,225.			3,225.
OTHER EXPENSES	6,045.		1,658.	4,387.
INVESTMENT AND BANKING FEES	9,719.		9,719.	
INSURANCE	17,156.		17,156.	
TOTAL TO FM 990, LN 43	91,708.		34,801.	56,907.

FORM 990	CASH GRANTS AND ALLOCATIONS TO OTHERS	STATEMENT	6
----------	--	-----------	---

CLASS OF ACTIVITY/DONEE'S NAME AND ADDRESS	AMOUNT
OPERATING SUPPORT THE CRADLE 2049 RIDGE AVENUE EVANSTON, IL 60201	1,916,650.

TOTAL INCLUDED ON FORM 990, PART II, LINE 22B	1,916,650.
---	------------

FORM 990	SPECIFIC ASSISTANCE TO INDIVIDUALS	STATEMENT	7
----------	------------------------------------	-----------	---

DESCRIPTION	AMOUNT
SEE ATTACHED SCHEDULE	45,000.
TOTAL TO FORM 990, PART II, LINE 23	45,000.

FORM 990	NON-GOVERNMENT SECURITIES	STATEMENT	8
----------	---------------------------	-----------	---

SECURITY DESCRIPTION	COST/FMV	CORPORATE STOCKS	CORPORATE BONDS	OTHER PUBLICLY TRADED SECURITIES	TOTAL NON-GOV'T SECURITIES
BOND FUNDS	FMV		3,690,884.		3,690,884.
COMMON STOCKS FUNDS	FMV	12530523.			12530523.
TO FORM 990, LINE 54A, COL B		12530523.	3,690,884.		16221407.

FORM 990	OTHER EXPENSES NOT INCLUDED ON FORM 990	STATEMENT	9
----------	---	-----------	---

DESCRIPTION	AMOUNT
SPECIAL EVENTS EXPENSE REPORTED ON LINE 9	293,287.
TOTAL TO FORM 990, PART IV-B	293,287.

FORM 990	OTHER REVENUE INCLUDED ON FORM 990	STATEMENT	10
----------	------------------------------------	-----------	----

DESCRIPTION	AMOUNT
SPECIAL EVENTS EXPENSE REPORTED ON LINE 9	<293,287.>
TOTAL TO FORM 990, PART IV-A	<293,287.>

FORM 990	OTHER EXPENSES INCLUDED ON FORM 990	STATEMENT	11
----------	-------------------------------------	-----------	----

DESCRIPTION	AMOUNT
INDIRECT SUPPORT OF THE CRADLE THROUGH CASH DISTRIBUTIONS	1,916,650.
TOTAL TO FORM 990, PART IV-B	1,916,650.

FORM 990	IDENTIFICATION OF RELATED ORGANIZATIONS PART VI, LINE 80B	STATEMENT	12
----------	--	-----------	----

NAME OF ORGANIZATION	EXEMPT	NONEXEMPT
THE CRADLE	X	
CRADLE FAMILY RESOURCE CENTERS, INC. (THROUGH 12/31/06)	X	
FAMILY RESOURCE CENTER (THROUGH 12/31/06)	X	

FORM 990	PART VIII - RELATIONSHIP OF ACTIVITIES TO ACCOMPLISHMENT OF EXEMPT PURPOSES	STATEMENT	13
----------	--	-----------	----

LINE	EXPLANATION OF RELATIONSHIP OF ACTIVITIES
101	REPRESENTS INCOME DERIVED FROM 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.
103B	FEEs RECEIVED FROM AFFILIATED ENTITIES FOR PERFORMING DEVELOPMENT AND FUNDRAISING SUPPORT.



OFFICE OF THE SECRETARY OF STATE

JESSE WHITE • Secretary of State

FEBRUARY 13, 2007

6259-555-8

CSC NETWORKS
801 ADLAI STEVENSON DRIVE
SPRINGFIELD, IL 62703

RE THE CRADLE FOUNDATION

DEAR SIR OR MADAM:

ENCLOSED YOU WILL FIND THE AMENDED AND RESTATED ARTICLES OF
INCORPORATION RELATIVE TO THE ABOVE CORPORATION.

THE REQUIRED FILING FEE HAS BEEN RECEIVED AND CREDITED.

THIS DOCUMENT MUST BE RECORDED IN THE OFFICE OF THE COUNTY RECORDER
WHEREIN THE REGISTERED OFFICE OF THE CORPORATION IS LOCATED.

SINCERELY,

A handwritten signature in cursive script that reads "Jesse White".

JESSE WHITE
SECRETARY OF STATE
DEPARTMENT OF BUSINESS SERVICES
CORPORATION DIVISION
TELEPHONE (217) 782-6961

FORM NFP 110.30R (rev. Dec. 2003)
 ARTICLES OF AMENDMENT
 RESTATED ARTICLES
 OF INCORPORATION
 General Not For Profit Corporation Act

Jesse White, Secretary of State
 Department of Business Services
 Springfield, IL 62756
 Telephone (217) 782-1832
 www.cyberdriveillinois.com

FILED

FEB 13 2007

JESSE WHITE
 SECRETARY OF STATE

Remit payment in the form of a
 check or money order payable
 to the Secretary of State

File # 68595558 Filing Fee: \$100.00 Approved: KK
 Submit in duplicate Type or Print clearly in black ink Do not write above this line

1. Corporate name (Note 1): The Cradle Foundation
2. Manner of adoption of amendment:
 The following amendment to the Articles of Incorporation was adopted on January 16, 2007 in the manner
 indicated below (Check one only):
 (Month, Day & Year)

- ☒ By affirmative vote of a majority of the directors in office, at a meeting of the board of directors, in accordance with Section 110.15. (Note 2)
- ☐ By written consent, signed by all the directors in office, in compliance with Sections 110.15 and 108.45 (Note 3)
- ☐ By members at a meeting of members entitled to vote by the affirmative vote of the members having not less than the minimum number of votes necessary to adopt such amendment, as provided by this Act, the articles of incorporation or the bylaws, in accordance with Section 110.20. (Note 4)
- ☐ By written consent signed by members entitled to vote having not less than the minimum number of votes necessary to adopt such amendment, as provided by this Act, the articles of incorporation, or the bylaws, in compliance with Sections 107.10 and 110.20. (Note 5)

- 3(a). List all provisions of the restated articles of incorporation that amend the existing articles of incorporation. (Attach additional pages if extra space is needed.)
Articles 4 and 5 (see attached).

- 3(b). Text of the Restated Articles of Incorporation (Note 6)
 (Attach additional pages if extra space is needed.)
See attached.

4. The undersigned corporation has caused these articles to be signed by a duly authorized officer, who affirms, under penalties of perjury, that the facts stated herein are true. (All signatures must be in BLACK INK.)

Dated

2/12 2007
 (Month & Day) (Year)
Brooke Voss
 (Any Authorized Officer's Signature)
 Brooke Voss, President
 (Print Name and Title)

The Cradle Foundation

(Exact Name of Corporation)

5. If there are no duly authorized officers, then the persons designated under Section 101.10(b)(2) must sign below and print name and title.

The undersigned affirms, under penalties of perjury, that the facts stated herein are true.

Dated _____ (Month, Day & Year)

Signature

Print Name and Title

NOTES

Note 1: State the true and exact corporate name as it appears on the records of the Secretary of State, BEFORE any amendment herein reported.

Note 2: Directors may adopt amendments without member approval only when the corporation has no members, or no members entitled to vote pursuant to §110.15

Note 3: Director approval may be (1) by vote at a directors meeting (either annual or special) or (2) by consent, in writing, without a meeting.

Note 4: All amendments not adopted under Sec. 110.15 require (1) that the board of directors adopt a resolution setting forth the proposed amendment and (2) that the members approve the amendment.

Member approval may be (1) by vote at a members meeting (either annual or special) or (2) by consent, in writing, without a meeting.

To be adopted, the amendment must receive the affirmative vote or consent of the holders of at least 2/3 of the outstanding members entitled to vote on the amendment, (but if class voting applies, then also at least a 2/3 vote within each class is required).

The articles of incorporation may supersede the 2/3 vote requirement by specifying any smaller or larger vote requirement not less than a majority of the outstanding votes of such members entitled to vote and not less than a majority within each class when class voting applies. (Sec. 110.20)

Note 5: When member approval is by written consent, all members must be given notice of the proposed amendment at least 5 days before the consent is signed. If the amendment is adopted, members who have not signed the consent must be promptly notified of the passage of the amendment. (Sec. 107.10 & 110.20)

Note 6: The text of the restated articles of incorporation must set forth the following:

(i) The date of incorporation, the name under which the corporation was incorporated, subsequent names, if any, that the corporation adopted pursuant to amendment of its articles of incorporation, and the effective date of any such amendments;

(ii) the address of the registered office and the name of the registered agent on the date of filing the restated articles of incorporation.

If the registered agent and/or registered office have changed, it will be necessary to accompany this document with form NFP 105.10.

AMENDED AND RESTATED ARTICLES OF INCORPORATION OF
THE CRADLE FOUNDATION

The corporation, The Cradle Foundation, was originally incorporated on January 16, 2003. There have been no changes to the corporation's name subsequent to its incorporation.

Article 1. Name (Restated).

The corporation, organized under the General Not For Profit Corporation Act of Illinois, shall be known as "The Cradle Foundation," sometimes referred to herein as the "corporation."

Article 2. Registered Agent and Registered Office (Restated).

The Corporation shall maintain a registered office in the State of Illinois and a registered agent at such office and may have other offices within or without the state. The place in the State of Illinois where the principal office of the Corporation is located is the City of Evanston, Cook County.

The name and address of the registered agent and registered office are:

F&L Corp -
321 N. Clark St., Suite 2800
Chicago, IL 60610 Cook County

Article 4. Purposes (Amended).

The corporation is organized and shall be operated exclusively for charitable, educational, scientific, and other purposes within the meaning of section 501(c)(3) of the Internal Revenue Code of 1986 (the "Code"). Notwithstanding any other provision of these Articles of Incorporation, the Bylaws, or any other provision of law, the corporation shall not have the power to carry on any activities which would cause it to fail to qualify, or to fail to continue to qualify, as (i) an organization exempt from federal income tax under section 501(c)(3) of the Code (or the corresponding section of any future federal tax code), or (ii) an organization to which contributions are deductible under sections 170, 2055, and 2522 of the Code (or the corresponding sections of any future federal tax code).

Solely in furtherance of the purposes set forth above, the specific purposes and mission of the corporation shall be to operate for the benefit of, to perform the functions of, and to carry out the purposes of The Cradle Society, an Illinois not for profit corporation which is a tax-exempt organization described in section 501(c)(3) of the Code, with regard to the maintenance of endowment funds for The Cradle Society, and related financial, investment, and development-related operations.

The corporation is not a Condominium Association as established under the Condominium Property Act.

The corporation is not a Cooperative Housing Corporation as defined in Section 216 of the Internal Revenue Code of 1954.

The corporation is not a Homeowner's Association which administers a common-interest community as defined in subsection (c) of Section 9-102 of the Code of Civil Procedure.

Article 5. Members; Other Provisions (Amended).

→ A. The sole Member of the corporation shall be The Cradle Society, a not for profit corporation organized under the laws of Illinois.

B. No part of the earnings of the corporation shall inure to the benefit of or be distributable to any private individual or person; provided, however, that the corporation may pay reasonable compensation for services rendered to it and reimbursement of expenses reasonably incurred on its behalf.

C. No substantial part of the activities of the corporation shall be the carrying on of propaganda, or otherwise attempting, to influence legislation (except as otherwise permitted by section 501(h) of the Code (or the corresponding section of any future federal tax code)), and the corporation shall not participate in, or intervene in (including the publishing or distributing of statements), any political campaign on behalf of or in opposition to any candidate for public office.

D. Upon the dissolution of the corporation, assets shall be distributed to or for the use of The Cradle Society, which is an Illinois not for profit corporation which is a tax-exempt organization described in section 501(c)(3) of the Code. If at the time of the dissolution of the corporation The Cradle Society is not a tax-exempt organization described in section 501(c)(3) of the Code, or is not then in existence or is otherwise unable to accept such assets for any reason, then such assets shall be distributed for one or more exempt purposes within the meaning of section 501(c)(3) of the Code (or the corresponding section of any future federal tax code), or shall be distributed to the federal government, or to a state or local government, for a public purpose. Any such assets not so disposed of shall be disposed of by a court of competent jurisdiction of the district or county in which the principal office of the corporation is then located, exclusively for such purposes or to such organization or organizations, as said court shall determine, which are organized and operated exclusively for such purposes.

E. Notwithstanding any other provisions in these Articles of Incorporation or in the Bylaws to the contrary, the corporation shall not have the power to:

A. Engage in any activities except maintaining and managing the endowment funds for the benefit of The Cradle Society, and related fundraising and development operations and other activities incidental thereto;

B. Own or acquire any material assets other than (i) assets contributed directly to the Foundation from third party pledgors and contributors or from The Cradle Society, plus investment earnings thereon, all for deposit into and maintenance in the said endowment funds; and (ii) equipment and other assets used directly in the permitted activities of the corporation as set forth in paragraph A above;

C. Enter into any merger or consolidation with any third party or entity;

D. Own or establish any subsidiary;

- E. Make any investment of any type except investments in the said endowment funds;
- F. Commingle assets with the assets of any other entity;
- G. Incur any debt, secured or unsecured, direct or contingent, except for (i) that express Absolute and Unconditional Guaranty (the "Guaranty") delivered to JPMorgan Chase, N.A., successor-by-merger to American National Bank and Trust Company and Bank One, N.A. (the "Bank"), in connection with that Second Amendment to Reimbursement Agreement (the "Reimbursement Agreement") entered into by and among the corporation, The Cradle Society and the Bank; (ii) that Keep Well Agreement provided by the corporation to the Bank in connection with the said Second Amendment; (iii) that Reaffirmation and Amendment of Guaranty delivered to the Bank in connection with that Third Amendment to Reimbursement Agreement entered into by and between The Cradle Society and the Bank; and (iv) that Second Reaffirmation and Amendment of Guaranty and Keep Well Agreement delivered to the Bank in connection with that Fourth Amendment of Reimbursement Agreement entered into by and between The Cradle Society and the Bank, provided that this shall not be construed to prevent the corporation from incurring current obligations for services rendered or assets acquired in the ordinary course of the permitted activities of the corporation as set forth in paragraph A above;
- H. Hold itself out to be responsible for the debts of any other person;
- I. Grant any lien, mortgage, pledge, encumbrance or security interest of any type in an any asset;
- J. Enter into any contract or agreement with any third party except (i) the Guaranty and any related documents; (ii) the Affiliation Termination Agreement between The Cradle Family Resource Centers, Inc., The Cradle Society, Family Resource Center and the corporation; (iii) any contractual relation deemed reasonably necessary by and between The Cradle Society and the corporation to compensate either entity for services rendered to the other; and (iv) any contractual relation directly related to the permitted activities of the corporation as set forth in paragraph A above, including (without limitation) the retention of auditors, accountants, attorneys, and consultants, and the purchase of insurance coverage;
- K. Make any loans of any kind to any third party;
- L. Fail to file its own tax returns;
- M. Modify its organizational documents to provide for any of the foregoing prohibited powers unless and until all obligations under the Guaranty, the Reimbursement Agreement and any related documents have been discharged in full or unless the parties thereto consent in writing to such modification.