Form 990 — Return of Organization Exempt From Income Tax — OMB No 1545-0047 — 2007

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

Department of the Treasury Internal Revenue Service

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

Open to Public Inspection

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

B Check if applicable: ☐ Address change ☐ Name change ☐ Initial return ☐ Termination ☐ 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 — Room/suite

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

G Website: ▶WWW.CRADLE.ORG

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

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

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

L Gross receipts Add lines 6b, 8b, 9b, and 10b to line 12 ▶ 8,660,516.

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

Revenue	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	3,182,762.		
	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 $ 1,960,877. noncash $ 1,221,885.)				1e	3,182,762.
	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	56,203.
	5	Dividends and interest from securities				5	474,044.
	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	
			(A) Securities		(B) Other		
	8 a	Gross amount from sales of assets other than inventory	4,690,826.	8a			
	b	Less cost or other basis and sales expenses	4,804,782.	8b			
	c	Gain or (loss) (attach schedule)	<113,956.>	8c			
	d	Net gain or (loss) Combine line 8c, columns (A) and (B)				8d	<113,956.>
	9	Special events and activities (attach schedule) If any amount is from gaming, check here ▶ ☒					
	a	Gross revenue (not including $ 442,251. of contributions reported on line 1b)		9a	248,476.		
	b	Less direct expenses other than fundraising expenses		9b	251,121.		
	c	Net income or (loss) from special events Subtract line 9b from line 9a				9c	<2,645.>
	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	8,205.
	12	**Total revenue.** Add lines 1e, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11				12	3,604,613.
Expenses	13	Program services (from line 44, column (B))				13	1,611,873.
	14	Management and general (from line 44, column (C))				14	251,606.
	15	Fundraising (from line 44, column (D))				15	901,304.
	16	Payments to affiliates (attach schedule)				16	
	17	**Total expenses.** Add lines 16 and 44, column (A)				17	2,764,783.
Net Assets	18	Excess or (deficit) for the year Subtract line 17 from line 12				18	839,830.
	19	Net assets or fund balances at beginning of year (from line 73, column (A))				19	19,693,885.
	20	Other changes in net assets or fund balances (attach explanation)				20	<2,971,307.>
	21	Net assets or fund balances at end of year Combine lines 18, 19, and 20				21	17,562,408.

RECEIVED FEB 1 9 2009 OGDEN, UT 702 IRS-OSC

SCANNED MAR 1 2 2009

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 $ 0. noncash $ 0.) If this amount includes foreign grants, check here ▶ ☐	22a				
22b Other grants and allocations (attach schedule) (cash $ 1,566,873. noncash $ 0.) If this amount includes foreign grants, check here ▶ ☐	22b	1,566,873.	1,566,873.	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	272,887.	0.	0.	272,887.
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	435,860.		94,875.	340,985.
27 Pension plan contributions not included on lines 25a, b, and c	27	8,569.		1,098.	7,471.
28 Employee benefits not included on lines 25a - 27	28	71,667.		13,183.	58,484.
29 Payroll taxes	29	51,430.		7,258.	44,172.
30 Professional fundraising fees	30				
31 Accounting fees	31	11,217.		11,217.	
32 Legal fees	32				
33 Supplies	33	12,435.		5,195.	7,240.
34 Telephone	34	4,845.		4,168.	677.
35 Postage and shipping	35	24,302.		2.	24,300.
36 Occupancy	36	47,668.		47,668.	
37 Equipment rental and maintenance	37	24,337.		14,108.	10,229.
38 Printing and publications	38	40,455.			40,455.
39 Travel	39	26,933.		7.	26,926.
40 Conferences, conventions, and meetings	40	6,561.		1,159.	5,402.
41 Interest	41				
42 Depreciation, depletion, etc. (attach schedule)	42	1,285.		1,285.	
43 Other expenses not covered above (itemize):					
a	43a				
b	43b				
c	43c				
d	43d				
e	43e				
f	43f				
g SEE STATEMENT 5	43g	112,459.		50,383.	62,076.
44 **Total functional expenses.** Add lines 22a through 43g. (Organizations completing columns (B)-(D), carry these totals to lines 13-15)	44	2,764,783.	1,611,873.	251,606.	901,304.

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 2008, FOUNDATION FUNDS HELPED THE CRADLE PROVIDE COUNSELING, SUPPORT AND EDUCATION TO THOUSANDS OF INDIVIDUALS AND TO PLACE 174 CHILDREN WITH LOVING ADOPTIVE FAMILIES. (Grants and allocations $ 1,566,873.) If this amount includes foreign grants, check here ▶ ☐	1,611,873.
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) ▶	1,611,873.

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			205,124.	45	221,021.
46 Savings and temporary cash investments			1,439,468.	46	2,136,894.
47 a Accounts receivable	47a	50,115.			
b Less: allowance for doubtful accounts	47b		248,895.	47c	50,115.
48 a Pledges receivable	48a	1,249,982.			
b Less allowance for doubtful accounts	48b		1,749,107.	48c	1,249,982.
49 Grants receivable			12,000.	49	
50 a Receivables from current and former officers, directors, trustees, and key employees				50a	
b Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				50b	
51 a Other notes and loans receivable	51a				
b Less: allowance for doubtful accounts	51b			51c	
52 Inventories for sale or use				52	
53 Prepaid expenses and deferred charges			15,517.	53	4,886.
54 a Investments - publicly-traded securities STMT 10 ▶ ☐ Cost ☒ FMV			16,221,407.	54a	13,110,614.
b Investments - other securities ▶ ☐ Cost ☐ FMV				54b	
55 a Investments - land, buildings, and equipment basis	55a				
b Less accumulated depreciation	55b			55c	
56 Investments - other SEE STATEMENT 8			0.	56	1,064,000.
57 a Land, buildings, and equipment basis	57a	8,681.			
b Less accumulated depreciation STMT 9	57b	4,750.	1,983.	57c	3,931.
58 Other assets, including program-related investments (describe ▶)				58	
59 **Total assets** (must equal line 74) Add lines 45 through 58			19,893,501.	59	17,841,443.
Liabilities 60 Accounts payable and accrued expenses			147,418.	60	179,852.
61 Grants payable				61	
62 Deferred revenue			355.	62	
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)			51,843.	65	99,183.
66 **Total liabilities.** Add lines 60 through 65			199,616.	66	279,035.
Net Assets or Fund Balances **Organizations that follow SFAS 117, check here** ▶ ☒ and complete lines 67 through 69 and lines 73 and 74.					
67 Unrestricted			15,940,768.	67	14,102,002.
68 Temporarily restricted			1,548,768.	68	1,221,404.
69 Permanently restricted			2,204,349.	69	2,239,002.
Organizations that do not follow SFAS 117, check here ▶ ☐ 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)			19,693,885.	73	17,562,408.
74 **Total liabilities and net assets/fund balances.** Add lines 66 and 73			19,893,501.	74	17,841,443.

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	884,427.
b	Amounts included on line a but not on Part I, line 12:				
1	Net unrealized gains on investments	b1	<2971307.>		
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	<2971307.>
c	Subtract line b from line a			c	3,855,734.
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 12	d2	<251,121.>		
	Add lines d1 and d2			d	<251,121.>
e	Total revenue (Part I, line 12) Add lines c and d ▶			e	3,604,613.

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

a	Total expenses and losses per audited financial statements			a	1,449,031.
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 11	b4	251,121.		
	Add lines b1 through b4			b	251,121.
c	Subtract line b from line a			c	1,197,910.
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 13	d2	1,566,873.		
	Add lines d1 and d2			d	1,566,873.
e	Total expenses (Part I, line 17) Add lines c and d ▶			e	2,764,783.

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	139,362.	19,035.	0.
JENNIFER MERDINGER 2049 RIDGE AVENUE EVANSTON, ILLINOIS 60201	VICE PRESIDENT 40.00	95,000.	17,427.	0.
SEE ATTACHED FOR NON-COMPENSATED BOARD OF DIRECTORS	0.00	0.	0.	0.

Form 990 (2007)

723041 12-27-07

11020128 758396 00443000001 2007.07050 THE CRADLE FOUNDATION 00443011

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

			Yes	No
75 a	Enter the total number of officers, directors, and trustees permitted to vote on organization business at board meetings ▶ 3			
b	Are any officers, directors, trustees, or key employees listed in Form 990, Part V-A, or highest compensated employees listed in Schedule A, Part I, or highest compensated professional and other independent contractors listed in Schedule A, Part II-A or II-B, related to each other through family or business relationships? If "Yes," attach a statement that identifies the individuals and explains the relationship(s)	75b		X
c	Do any officers, directors, trustees, or key employees listed in Form 990, Part V-A, or highest compensated employees listed in Schedule A, Part I, or highest compensated professional and other independent contractors listed in Schedule A, Part II-A or II-B, receive compensation from any other organizations, whether tax exempt or taxable, that are related to the organization? See the instructions for the definition of "related organization."	75c		X
	If "Yes," attach a statement that includes the information described in the instructions.			
d	Does the organization have a written conflict of interest policy?	75d	X	

Part V-B Former Officers, Directors, Trustees, and Key Employees That Received Compensation or Other Benefits

(If any former officer, director, trustee, or key employee received compensation or other benefits (described below) during the year, list that person below and enter the amount of compensation or other benefits in the appropriate column. See the instructions.)

(A) Name and address	(B) Loans and Advances	(C) Compensation (if not paid, enter -0-)	(D) Contributions to employee benefit plans & deferred compensation plans	(E) Expense account and other allowances
NONE				

Part VI Other Information *(See the instructions.)*

			Yes	No
76	Did the organization make a change in its activities or methods of conducting activities? If "Yes," attach a detailed statement of each change	76		X
77	Were any changes made in the organizing or governing documents but not reported to the IRS? If "Yes," attach a conformed copy of the changes.	77		X
78 a	Did the organization have unrelated business gross income of $1,000 or more during the year covered by this return?	78a		X
b	If "Yes," has it filed a tax return on **Form 990-T** for this year? N/A	78b		
79	Was there a liquidation, dissolution, termination, or substantial contraction during the year? If "Yes," attach a statement	79		X
80 a	Is the organization related (other than by association with a statewide or nationwide organization) through common membership, governing bodies, trustees, officers, etc., to any other exempt or nonexempt organization?	80a	X	
b	If "Yes," enter the name of the organization ▶ THE CRADLE and check whether it is [X] exempt or [ ] nonexempt			
81 a	Enter direct and indirect political expenditures. (See line 81 instructions.) 81a 0.			
b	Did the organization file **Form 1120-POL** for this year?	81b		X

723161/12-27-07

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?	N/A	84b		
85 a	*501(c)(4), (5), or (6).* Were substantially all dues nondeductible by members?	N/A	85a		
b	Did the organization make only in-house lobbying expenditures of $2,000 or less?	N/A	85b		
	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	85g		
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	85h		
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 ▶ 0. ; section 4912 ▶ 0. ; section 4955 ▶ 0.				
b	*501(c)(3) and 501(c)(4) organizations* Did the organization engage in any section 4958 excess benefit transaction during the year or did it become aware of an excess benefit transaction from a prior year? If "Yes," attach a statement explaining each transaction		89b		X
c	Enter. Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958 ▶ 0.				
d	Enter: Amount of tax on line 89c, above, reimbursed by the organization ▶ 0.				
e	*All organizations* At any time during the tax year, was the organization a party to a prohibited tax shelter transaction?		89e		X
f	*All organizations.* Did the organization acquire a direct or indirect interest in any applicable insurance contract?		89f		X
g	*For supporting organizations and sponsoring organizations maintaining donor advised funds.* Did the supporting organization, or a fund maintained by a sponsoring organization, have excess business holdings at any time during the year?	N/A	89g		
90 a	List the states with which a copy of this return is filed ▶ IL				
b	Number of employees employed in the pay period that includes March 12, 2007	90b 9			
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

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? If "Yes," enter the name of the foreign country ▶ N/A	91c		X

92 *Section 4947(a)(1) nonexempt charitable trusts filing Form 990 in lieu of* **Form 1041**- Check here ▶ ☐
and enter the amount of tax-exempt interest received or accrued during the tax year ▶ 92 N/A

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

Note: *Enter gross amounts unless otherwise indicated.*	Unrelated business income		Excluded by section 512, 513, or 514		
	(A) Business code	(B) Amount	(C) Exclusion code	(D) Amount	(E) Related or exempt function income
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	56,203.	
96 Dividends and interest from securities			14	474,044.	
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	<113,956.>	
101 Net income or (loss) from special events					<2,645.>
102 Gross profit or (loss) from sales of inventory					
103 Other revenue:					
a MISCELLANEOUS				8,205.	
b					
c					
d					
e					
104 Subtotal (add columns (B), (D), and (E))		0.		424,496.	<2,645.>
105 **Total** (add line 104, columns (B), (D), and (E)) ▶					421,851.

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)

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).*

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

		Yes	No
106	Did the reporting organization make any transfers to a controlled entity as defined in section 512(b)(13) of the Code? If "Yes," complete the schedule below for each controlled entity.		

	(A) Name, address, of each controlled entity	(B) Employer Identification Number	(C) Description of transfer	(D) Amount of transfer
a				
b				
c				
	Totals			

		Yes	No
107	Did the reporting organization receive any transfers from a controlled entity as defined in section 512(b)(13) of the Code? If "Yes," complete the schedule below for each controlled entity.		

	(A) Name, address, of each controlled entity	(B) Employer Identification Number	(C) Description of transfer	(D) Amount of transfer
a				
b				
c				
	Totals			

		Yes	No
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?		

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

x Brooke Voss — Signature of officer — x 2.10.09 Date

x Brooke Voss President — Type or print name and title

Paid Preparer's Use Only

Preparer's signature: Susan M. Greggo — Date: 2-7-09 — Check if self-employed ☐ — Preparer's SSN or PTIN (See Gen Inst X): P00595460

Firm's name (or yours if self-employed), address, and ZIP + 4: WARADY & DAVIS LLP, 1717 DEERFIELD ROAD, SUITE 300S, DEERFIELD, IL 60015 — EIN 36-2170602 — Phone no. (847)267-9600

Form **990** (2007)

723164/12-27-07

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

2007

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
HEIDI BLOOM 2049 RIDGE AVENUE, EVANSTON, IL 60201	MGR FND RELATIONS 40.00	52,429.	6,886.	
MAUREEN KELLY 2049 RIDGE AVENUE, EVANSTON, IL 60201	MGR ANNUAL GIVING 40.00	63,413.	11,364.	
BONNIE KRASNY 2049 RIDGE AVENUE, EVANSTON, IL 60201	EVENTS MANAGER 40.00	54,370.	11,625.	
STEPHANIE DZIEDZIC 2049 RIDGE AVENUE, EVANSTON, IL 60201	DIR FUND DEV 40.00	61,356.	1,915.	

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.)	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	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? N/A	4b		
c	Did the organization make a distribution to a donor, donor advisor, or related person? N/A	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.

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

I certify that the organization is not a private foundation because it is: (Please check only **ONE** applicable box.)

5 [ ] A church, convention of churches, or association of churches. Section 170(b)(1)(A)(i).

6 [ ] A school. Section 170(b)(1)(A)(ii). (Also complete Part V.)

7 [ ] A hospital or a cooperative hospital service organization. Section 170(b)(1)(A)(iii).

8 [ ] A federal, state, or local government or governmental unit. Section 170(b)(1)(A)(v).

9 [ ] A medical research organization operated in conjunction with a hospital. Section 170(b)(1)(A)(iii). **Enter the hospital's name, city, and state** ▶

10 [ ] An organization operated for the benefit of a college or university owned or operated by a governmental unit. Section 170(b)(1)(A)(iv). (Also complete the **Support Schedule** in Part IV-A.)

11a [ ] An organization that normally receives a substantial part of its support from a governmental unit or from the general public. Section 170(b)(1)(A)(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 [X] 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:

[X] Type I   [ ] Type II   [ ] Type III-Functionally Integrated   [ ] Type III-Other

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

(a) Name(s) of supported organization(s)	(b) Employer identification number (EIN)	(c) Type of organization (described in lines 5 through 12 above or IRC section)	(d) Is the supported organization listed in the supporting organization's governing documents? Yes	No	(e) Amount of support
THE CRADLE	36-2181994	11A	X		1,566,873.
Total				▶	1,566,873.

14 [ ] An organization organized and operated to test for public safety. Section 509(a)(4). (See page 8 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) 2006	(b) 2005	(c) 2004	(d) 2003	(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, income from similar sources, 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 2003 through 2006 exceeded the amount shown in line 26a. **Do not file this list with your return.** Enter the total of all these excess amounts ▶ 26b 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:

(2006) (2005) (2004) (2003)

b For any amount included in line 17 that was received from each person (other than "disqualified persons"), prepare a list for your records to show the name of, and amount received for each year, that was more than the **larger** of **(1)** the amount on line 25 for the year or **(2)** $5,000. (Include in the list organizations described in lines 5 through 11b, as well as individuals.) **Do not file this list with your return.** After computing the difference between the amount received and the larger amount described in **(1)** or **(2)**, enter the sum of these differences (the excess amounts) for each year:

(2006) (2005) (2004) (2003)

c Add: Amounts from column (e) for lines: 15 ______ 16 ______ 17 ______ 20 ______ 21 ______ ▶ 27c N/A

d Add: Line 27a total ______ and line 27b total ______ ▶ 27d N/A

e Public support (line 27c total minus line 27d total) ▶ 27e N/A

f Total support for section 509(a)(2) test: Enter amount on line 23, column (e) ▶ 27f N/A

g **Public support percentage (line 27e (numerator) divided by line 27f (denominator))** ▶ 27g N/A %

h **Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator))** ▶ 27h N/A %

28 **Unusual Grants:** For an organization described in line 10, 11, or 12 that received any unusual grants during 2003 through 2006, prepare a list for your records to show, for each year, the name of the contributor, the date and amount of the grant, and a brief description of the nature of the grant. **Do not file this list with your return.** Do not include these grants in line 15.

Part V **Private School Questionnaire** (See page 9 of the instructions.) N/A
(To be completed ONLY by schools that checked the box on line 6 in Part IV)

			Yes	No
29	Does the organization have a racially nondiscriminatory policy toward students by statement in its charter, bylaws, other governing instrument, or in a resolution of its governing body?	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		

Part VI-A Lobbying Expenditures by Electing Public Charities (See page 11 of the instructions.) N/A

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

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

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

	Lobbying Expenditures During 4-Year Averaging Period				N/A
Calendar year (or fiscal year beginning in) ▶	(a) 2007	(b) 2006	(c) 2005	(d) 2004	(e) Total
45 Lobbying nontaxable amount					0.
46 Lobbying ceiling amount (150% of line 45(e))					0.
47 Total lobbying expenditures					0.
48 Grassroots nontaxable amount					0.
49 Grassroots ceiling amount (150% of line 48(e))					0.
50 Grassroots lobbying expenditures					0.

Part VI-B Lobbying Activity by Nonelecting Public Charities

(For reporting only by organizations that did not complete Part VI-A) (See page 14 of the instructions.) 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:	Yes	No	Amount
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)			0.

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

Part VII Information Regarding Transfers To and Transactions and Relationships With Noncharitable Exempt Organizations (See page 14 of the instructions.)

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?

		Yes	No
a Transfers from the reporting organization to a noncharitable exempt organization of:			
(i) Cash	51a(i)		X
(ii) Other assets	a(ii)		X
b Other transactions:			
(i) Sales or exchanges of assets with a noncharitable exempt organization	b(i)		X
(ii) Purchases of assets from a noncharitable exempt organization	b(ii)		X
(iii) Rental of facilities, equipment, or other assets	b(iii)		X
(iv) Reimbursement arrangements	b(iv)		X
(v) Loans or loan guarantees	b(v)		X
(vi) Performance of services or membership or fundraising solicitations	b(vi)		X
c Sharing of facilities, equipment, mailing lists, other assets, or paid employees	c		X

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: N/A

(a) Line no.	(b) Amount involved	(c) Name of noncharitable exempt organization	(d) Description of transfers, transactions, and sharing arrangements

52 a Is the organization directly or indirectly affiliated with, or related to, one or more tax-exempt organizations described in section 501(c) of the Code (other than section 501(c)(3)) or in section 527? ▶ ☐ Yes ☒ No

b If "Yes," complete the following schedule: N/A

(a) Name of organization	(b) Type of organization	(c) Description of relationship

FOOTNOTES STATEMENT 1

OFFICER'S COMPENSATION PER PAGE 2, PART II, LINE 25 DOES NOT EQUAL AMOUNT ON PAGE 5, PART V(A) DUE TO DIFFERENT ACCOUNTING METHODS. PART II, LINE 25 IS ON ACCRUAL METHOD OF ACCOUNTING AND PART V(A) IS ON CASH BASIS.

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	292,171.	0.	0.	292,171.
	4,398,655.	4,804,782.	0.	<406,127.>
TO FORM 990, PART I, LINE 8	4,690,826.	4,804,782.	0.	<113,956.>

FORM 990 SPECIAL EVENTS AND ACTIVITIES STATEMENT 3

DESCRIPTION OF EVENT	GROSS RECEIPTS	CONTRIBUT. INCLUDED	GROSS REVENUE	DIRECT EXPENSES	NET INCOME OR (LOSS)
CRADLE BALL	261,945.	189,205.	72,740.	103690.	<30,950.>
OPEN HOUSE	17,135.	5,745.	11,390.	12,902.	<1,512.>
ARLINGTON RACE TRACK	68,012.	35,422.	32,590.	30,101.	2,489.
AUTO SHOW	202,410.	104,463.	97,947.	38,395.	59,552.
GOLF	111,720.	55,310.	56,410.	51,351.	5,059.
NIGHT OF PROMISE	29,505.	11,045.	18,460.	14,682.	3,778.
TO FM 990, PART I, LINE 9	690,727.	401,190.	289,537.	251121.	38,416.

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

DESCRIPTION	AMOUNT
UNREALIZED LOSSES ON INVESTMENTS	<2,971,307.>
TOTAL TO FORM 990, PART I, LINE 20	<2,971,307.>

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
Sale of Assets

	(a)	(a)	(a)	(b)	(c)	(b)x(c)=(d)	(a)-(d)
Fund/Date	Transfer to Cash	Fund Rebalancing/ Redemption	Transfer from Cash	Shares	Price at 9/30/07*	Cost	Gain (Loss)
iShares Russell 100 Index Fund					$ 82 94		
7/11/2008		13,499 00		200 000	$ 67 50	13,499 00	-
7/11/2008		6,750 00		100 000	$ 67 50	6,750 00	-
7/11/2008		469,126 99		6,949 000	$ 67 51	469,126 99	-
						-	-
	-	489,375 99	-			489,375 99	-
PowerShares							
7/10/2008		(677,288 97)		(14,279 000)	$ 61 56	(879,015 24)	(201,726 27)
						-	-
						-	-
	-	(677,288 97)	-			(879,015 24)	(201,726 27)
GMO Foreign Fund							
12/6/2007	(50,000 00)			(2,490 040)	$ 19 95	(49,676 30)	323 70
7/10/2008		(376,200 00)		(24,130 853)	$ 19 95	(481,410 52)	(105,210 52)
						-	-
	(50,000 00)	(376,200 00)	-			(531,086 82)	(104,886 82)
EuroPacific Growth Fund							
12/11/2007	(100,000 00)			(1,780 944)	$ 54 68	(97,382 02)	2,617 98
7/11/2008		(416,398 53)		(9,483 000)	$ 54 68	(518,530 44)	(102,131 91)
						-	-
	(100,000 00)	(416,398 53)	-			(615,912 46)	(99,513 93)
Harbor International							
7/16/2008		737,268 00		11,730 597	$ 62 85	737,268 00	(0 00)
						-	-
	-	737,268 00	-			737,268 00	(0 00)
Vanguard Emerging Markets							
7/15/2008		368,634 00		13,463 623	$ 27 38	368,634 00	(0 00)
						-	-
	-	368,634 00	-			368,634 00	(0 00)
Vanguard Prime Portfolio							
11/15/2007	(200,000 00)			(200,000 000)	$ 1 00	(200,000 00)	-
12/6/2007	(50,000 00)			(50,000 000)	$ 1 00	(50,000 00)	-
1/9/2008			700,000 00	700,000 000	$ 1 00	700,000 00	-
2/7/2008	(300,000 00)			(300,000 000)	$ 1 00	(300,000 00)	-
2/21/2008			400,000 00	400,000 000	$ 1 00	400,000 00	-
7/10/2008		(489,467 39)		(489,467 390)	$ 1 00	(489,467 39)	-
						-	-
	(550,000 00)	(489,467 39)	1,100,000 00			60,532 61	-
Schwab Advisors Cash Reserves							
6/20/2008			100,000 00	100,000 000	$ 1 00	100,000 00	-
6/24/2008			100,000 00	100,000 000	$ 1 00	100,000 00	-
Redmeptions (above)		1,959,354 89		1,959,354 890	$ 1 00	1,959,354 89	-
Purchases (above)		(1,595,449 54)		(1,595,449 540)	$ 1 00	(1,595,449 54)	-
7/14/2008	(100,000 00)			(100,000 000)	$ 1 00	(100,000 00)	-
7/15/2008	(24,350 48)			(24,350 480)	$ 1 00	(24,350 48)	-
8/25/2008	(19,500 00)			(19,500 000)	$ 1 00	(19,500 00)	-
	(143,850 48)	363,905 35	200,000 00			420,054 87	-
Total	**(843,850.48)**	**(171 55)**	**1,300,000.00**			**49,850.95**	**(406,127.02)**

*or price as of purchase date for new investments

Sum of redemptions at cost	**(4,804,781.92)**
Proceeds from Sales above	**4,398,654 91**

CAPITAL GAIN DISTRIBUTIONS

	Neuberger	Stratton	GMO	Euro-Pacific Growth	PIMCO	TOTAL
ST/LT Cap Gain Distributions (1)	80,080 25	6,545 50	104,005 88	85,675 83	15,863 55	292,171 01

Combined Proceeds from Sales	**4,690,825 92**

FORM 990 OTHER EXPENSES STATEMENT 5

DESCRIPTION	(A) TOTAL	(B) PROGRAM SERVICES	(C) MANAGEMENT AND GENERAL	(D) FUNDRAISING
FOOD AND BEVERAGE	7,609.		4,092.	3,517.
INTERNET EXPENSE	2,368.		2,368.	
CONSULTING	19,969.		15,542.	4,427.
TEMPORARY HELP	7,685.		42.	7,643.
EDUCATION AND RESEARCH	12,898.			12,898.
OTHER EVENT EXPENSES	4,511.			4,511.
OTHER EXPENSES	2,883.		1,687.	1,196.
INVESTMENT AND BANKING FEES	9,726.		9,726.	
INSURANCE	16,926.		16,926.	
BAD DEBT LOSS	27,884.			27,884.
TOTAL TO FM 990, LN 43	112,459.		50,383.	62,076.

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	1,566,873.
TOTAL INCLUDED ON FORM 990, PART II, LINE 22B	1,566,873.

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	OTHER INVESTMENTS	STATEMENT 8

DESCRIPTION	VALUATION METHOD	AMOUNT
REAL ESTATE INVESTMENT TRUST	MARKET VALUE	1,064,000.
TOTAL TO FORM 990, PART IV, LINE 56, COLUMN B		1,064,000.

FORM 990	DEPRECIATION OF ASSETS NOT HELD FOR INVESTMENT	STATEMENT 9

DESCRIPTION	COST OR OTHER BASIS	ACCUMULATED DEPRECIATION	BOOK VALUE
COMPUTER EQUIPMENT	4,846.	915.	3,931.
COMPUTER SOFTWARE	3,835.	3,835.	0.
BUILDING	0.	0.	0.
TOTAL TO FORM 990, PART IV, LN 57	8,681.	4,750.	3,931.

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, 2008

Part II, Line 23, Specific Assistance to Individuals

$45,000 represents gift assistance provided on behalf of children meeting donor criteria. Amounts ranging between $300 and $1,500 were paid on behalf of 58 adopted children.

The Cradle Foundation
EIN 36-2181994

Statement attached to and made part of Form 990
Return of Organization Exempt from Income Tax
For the Year Ended September 30, 2008

Asset	Fixed Asset				Accumulated Depreciation				Net Fixed Asset			
	Balance at 9/30/07	FY 2008 Additions	FY 2008 Disposals (a)	Balance at 9/30/08	Balance at 9/30/07	FY 2008 Additions	FY 2008 Disposals (a)	Balance at 9/30/08	Balance at 9/30/07	FY 2008 Additions	FY 2008 Disposals	Balance at 9/30/08
Foundation												
Computer Equipment	1,612 73	3,233 07		4,845 80	(268 79)	(645 85)		(914 84)	1,343 94	2,587 22	-	3,931 16
Computer Software	3,835 00			3,835 00	(3,195 83)	(639 17)		(3,835 00)	639 17	(639 17)	-	0 00
Total Property & Equipment	5,447.73	3,233.07	-	8,680.80	(3,464.62)	(1,285.02)	-	(4,749.64)	1,983.11	1,948.05	-	3,931.16

I \Clients\The Cradle\2008\Tax Return\Cradle Fixed Assets 2008\FA 08
1/16/2009 1 59 PM

FORM 990	NON-GOVERNMENT SECURITIES	STATEMENT 10

SECURITY DESCRIPTION	COST/FMV	CORPORATE STOCKS	CORPORATE BONDS	OTHER PUBLICLY TRADED SECURITIES	TOTAL NON-GOV'T SECURITIES
BOND FUNDS	FMV		3,591,471.		3,591,471.
COMMON STOCKS FUNDS	FMV	9,519,143.			9,519,143.
TO FORM 990, LINE 54A, COL B		9,519,143.	3,591,471.		13110614.

FORM 990	OTHER EXPENSES NOT INCLUDED ON FORM 990	STATEMENT 11

DESCRIPTION	AMOUNT
SPECIAL EVENTS EXPENSE REPORTED ON LINE 9	251,121.
TOTAL TO FORM 990, PART IV-B	251,121.

FORM 990	OTHER REVENUE INCLUDED ON FORM 990	STATEMENT 12

DESCRIPTION	AMOUNT
SPECIAL EVENTS EXPENSE REPORTED ON LINE 9	<251,121.>
TOTAL TO FORM 990, PART IV-A	<251,121.>

FORM 990	OTHER EXPENSES INCLUDED ON FORM 990	STATEMENT 13

DESCRIPTION	AMOUNT
INDIRECT SUPPORT OF THE CRADLE THROUGH CASH DISTRIBUTIONS	1,566,873.
TOTAL TO FORM 990, PART IV-B	1,566,873.

FORM 990 IDENTIFICATION OF RELATED ORGANIZATIONS STATEMENT 14
PART VI, LINE 80B

NAME OF ORGANIZATION	EXEMPT	NONEXEMPT
THE CRADLE	X	
CRADLE ADOPTION PARTNERS, NFP	X	

FORM 990 PART VIII - RELATIONSHIP OF ACTIVITIES TO ACCOMPLISHMENT OF EXEMPT PURPOSES STATEMENT 15

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.

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, 2008

Part V, Schedule of Non-compensated Board of Directors

Last Name	First Name	Address	Title	Average Hours per Week Devoted to Position(s)
Asher	Roberta	(1)	Treasurer	1 00
Connelly	James	(1)	Chair	1.17
Thomas	Phyllis	(1)	Secretary	1.23

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