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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)

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

OMB No 1545-0047
2008
Open to Public Inspection

A For the 2008 calendar year, or tax year beginning 07-01-2008 and ending 06-30-2009

B Check if applicable: <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Termination <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	Please use IRS label or print or type. See Specific Instructions.	C Name of organization THE CARLE FOUNDATION	D Employer identification number 37-0673465
		Doing Business As	E Telephone number (217) 383-3311
		Number and street (or P O box if mail is not delivered to street address) Room/suite 611 West Park	G Gross receipts \$ 270,166,985
		City or town, state or country, and ZIP + 4 Urbana, IL 61801	
F Name and address of Principal Officer DENNIS HESCH CFO 611 W Park St Urbana, IL 61801		H(a) Is this a group return for affiliates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No H(b) Are all affiliates included? <input type="checkbox"/> Yes <input type="checkbox"/> No (If "No," attach a list See instructions) H(c) Group Exemption Number ▶	
I Tax-exempt status <input checked="" type="checkbox"/> 501(c) (3) ▶ (insert no) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527			
J Web site: ▶ www.carle.org			
K Type of organization <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> trust <input type="checkbox"/> association <input type="checkbox"/> other ▶		L Year of Formation 1946	M State of legal domicile IL

Part I Summary

Activities & Governance	1 Briefly describe the organization's mission or most significant activities The Carle Foundation is organized and exclusively operates as a not-for-profit corporation for charitable, scientific and educational purposes		
	2 Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its assets		
	3 Number of voting members of the governing body (Part VI, line 1a)	3	10
	4 Number of independent voting members of the governing body (Part VI, line 1b)	4	6
	5 Total number of employees (Part V, line 2a)	5	17
	6 Total number of volunteers (estimate if necessary)	6	0
	7a Total gross unrelated business revenue from Part VIII, line 12, column (C)	7a	10,713,677
b Net unrelated business taxable income from Form 990-T, line 34	7b	9,919,562	
Revenue	8 Contributions and grants (Part VIII, line 1h)	Prior Year	Current Year
	9 Program service revenue (Part VIII, line 2g)	1,246,000	456,002
	10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)	27,699,401	29,954,112
	11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	28,010,254	-75,690,970
	12 Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	3,758,486	5,379,995
Expenses	13 Grants and similar amounts paid (Part IX, column (A), lines 1–3)	60,714,141	-39,900,861
	14 Benefits paid to or for members (Part IX, column (A), line 4)	0	1,656,384
	15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)	0	0
	16a Professional fundraising fees (Part IX, column (A), line 11e)	5,447,404	6,248,950
	b (Total fundraising expenses, Part IX, column (D), line 25 ⁰)	0	0
	17 Other expenses (Part IX, column (A), lines 11a–11d, 11f–24f)	51,679,799	41,087,598
	18 Total expenses—add lines 13–17 (must equal Part IX, line 25, column (A))	57,127,203	48,992,932
19 Revenue less expenses Subtract line 18 from line 12	3,586,938	-88,893,793	
Net Assets or Fund Balances		Beginning of Year	End of Year
	20 Total assets (Part X, line 16)	665,128,126	653,872,040
	21 Total liabilities (Part X, line 26)	440,192,637	266,560,635
22 Net assets or fund balances Subtract line 21 from line 20	224,935,489	387,311,405	

Part II Signature Block

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	2010-05-10		
	Dennis D Sims evp/cfo Type or print name and title	Date		
Paid Preparer's Use Only	Preparer's signature	Date	Check if self-employed <input type="checkbox"/>	Preparer's PTIN (See Gen Inst)
	Firm's name (or yours if self-employed), address, and ZIP + 4	ERNST & YOUNG US LLP 5451 LAKEVIEW PKWY S DR INDIANAPOLIS, IN 46268	EIN ▶	Phone no ▶ (317) 280-3400
	May the IRS discuss this return with the preparer shown above? (See instructions) <input type="checkbox"/> Yes <input type="checkbox"/> No			

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

1 Briefly describe the organization's mission

The Carle Foundation is organized and exclusively operates as a not-for-profit corporation for charitable, scientific and educational purposes

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? Yes No

If "Yes," describe these new services on Schedule O

3 Did the organization cease conducting or make significant changes in how it conducts any program services? Yes No

If "Yes," describe these changes on Schedule O

4 Describe the exempt purpose achievements for each of the organization's three largest program services by expenses. Section 501(c)(3) and (4) organizations and 4947(a)(1) trusts are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported

4a (Code) (Expenses \$ 32,003,199 including grants of \$) (Revenue \$ 39,690,219)
 The Corporation engages in activities to develop and support the providing of health care services, including charity care, by the affiliates related to the corporation including the Carle Foundation Hospital. The Foundation serves as the parent corporation for the healthcare delivery network. It helps develop and support the entities that provide the charitable, healthcare education and research activities. The Foundation's purpose includes serving as the parent corporation for related affiliates that together performs as an integrated health care delivery network in furtherance and support of charitable, health care education and research activities.

4b (Code) (Expenses \$ including grants of \$) (Revenue \$)

4c (Code) (Expenses \$ including grants of \$) (Revenue \$)

4d Other program services (Describe in Schedule O)
 (Expenses \$ including grants of \$) (Revenue \$)

4e Total program service expenses \$ 32,003,199 *Must equal Part IX, Line 25, column (B).*

Part IV Checklist of Required Schedules

	Yes	No
1 Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? If "Yes," complete Schedule A	Yes	
2 Is the organization required to complete Schedule B, Schedule of Contributors?	Yes	
3 Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? If "Yes," complete Schedule C, Part I		No
4 Section 501(c)(3) organizations Did the organization engage in lobbying activities? If "Yes," complete Schedule C, Part II	Yes	
5 Section 501(c)(4), 501(c)(5), and 501(c)(6) organizations Is the organization subject to the section 6033(e) notice and reporting requirement and proxy tax? If "Yes," complete Schedule C, Part III		
6 Did the organization maintain any donor advised funds or any accounts where donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? If "Yes," complete Schedule D, Part I		No
7 Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas or historic structures? If "Yes," complete Schedule D, Part II		No
8 Did the organization maintain collections of works of art, historical treasures, or other similar assets? If "Yes," complete Schedule D, Part III		No
9 Did the organization report an amount in Part X, line 21, serve as a custodian for amounts not listed in Part X, or provide credit counseling, debt management, credit repair, or debt negotiation services? If "Yes," complete Schedule D, Part IV		No
10 Did the organization hold assets in term, permanent, or quasi-endowments? If "Yes," complete Schedule D, Part V		No
11 Did the organization report an amount in Part X, lines 10, 12, 13, 15, or 25? If "Yes," complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable	Yes	
12 Did the organization receive an audited financial statement for the year for which it is completing this return that was prepared in accordance with GAAP? If "Yes," complete Schedule D, Parts XI, XII, and XIII		No
13 Is the organization a school as described in section 170(b)(1)(A)(ii)? If "Yes," complete Schedule E		No
14a Did the organization maintain an office, employees, or agents outside of the U S ?		No
b Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, and program service activities outside the U S ? If "Yes," complete Schedule F, Part I	Yes	
15 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or assistance to any organization or entity located outside the United States? If "Yes," complete Schedule F, Part II		No
16 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or assistance to individuals located outside the United States? If "Yes," complete Schedule F, Part III		No
17 Did the organization report more than \$15,000 on Part IX, column (A), line 11e? If "Yes," complete Schedule G, Part I		No
18 Did the organization report more than \$15,000 total on Part VIII, lines 1c and 8a? If "Yes," complete Schedule G, Part II		No
19 Did the organization report more than \$15,000 on Part VIII, line 9a? If "Yes," complete Schedule G, Part III		No
20 Did the organization operate one or more hospitals? If "Yes," complete Schedule H		No
21 Did the organization report more than \$5,000 on Part IX, column (A), line 1? If "Yes," complete Schedule I, Parts I and II	Yes	
22 Did the organization report more than \$5,000 on Part IX, column (A), line 2? If "Yes," complete Schedule I, Parts I and III		No
23 Did the organization answer "Yes" to Part VII, Section A, questions 3, 4, or 5? If "Yes," complete Schedule J	Yes	
24a Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? If "Yes," answer questions 24b-24d and complete Schedule K. If "No," go to question 25	Yes	
b Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?		No
c Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?		No
d Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?		No
25a Section 501(c)(3) and 501(c)(4) organizations Did the organization engage in an excess benefit transaction with a disqualified person during the year? If "Yes," complete Schedule L, Part I		No
b Did the organization become aware that it had engaged in an excess benefit transaction with a disqualified person from a prior year? If "Yes," complete Schedule L, Part I		No
26 Was a loan to or by a current or former officer, director, trustee, key employee, highly compensated employee, or disqualified person outstanding as of the end of the organization's tax year? If "Yes," complete Schedule L, Part II		No
27 Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, or substantial contributor, or to a person related to such an individual? If "Yes," complete Schedule L, Part III		No

Part IV Checklist of Required Schedules *(Continued)*

		Yes	No
28	During the tax year, did any person who is a current or former officer, director, trustee, or key employee		
a	Have a direct business relationship with the organization (other than as an officer, director, trustee, or employee), or an indirect business relationship through ownership of more than 35% in another entity (individually or collectively with other person(s) listed in Part VII, Section A)? <i>If "Yes," complete Schedule L, Part IV</i>		No
b	Have a family member who had a direct or indirect business relationship with the organization? <i>If "Yes," complete Schedule L, Part IV</i>		No
c	Serve as an officer, director, trustee, key employee, partner, or member of an entity (or a shareholder of a professional corporation) doing business with the organization? <i>If "Yes," complete Schedule L, Part IV</i>	Yes	
29	Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i>		No
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M</i>		No
31	Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i>		No
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If "Yes," complete Schedule N, Part II</i>		No
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations section 301.7701-2 and 301.7701-3? <i>If "Yes," complete Schedule R, Part I</i>	Yes	
34	Was the organization related to any tax-exempt or taxable entity? <i>If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1</i>	Yes	
35	Is any related organization a controlled entity within the meaning of section 512(b)(13)? <i>If "Yes," complete Schedule R, Part V, line 2</i>	Yes	
36	501(c)(3) organizations Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2</i>		No
37	Did the organization conduct more than 5 percent of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? <i>If "Yes," complete Schedule R, Part VI</i>		No

Part V Statements Regarding Other IRS Filings and Tax Compliance

		Yes	No
1a	Enter the number reported in Box 3 of Form 1096, <i>Annual Summary and Transmittal of U.S. Information Returns</i> . Enter -0- if not applicable		
	1a 55		
b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable		
	1b 0		
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	Yes	
2a	Enter the number of employees reported on Form W-3, <i>Transmittal of Wage and Tax Statements</i> filed for the calendar year ending with or within the year covered by this return		
	2a 17		
b	If at least one is reported in 2a, did the organization file all required federal employment tax returns? Note: If the sum of lines 1a and 2a is greater than 250, you may be required to e-file this return.	Yes	
3a	Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return?	Yes	
b	If "Yes," has it filed a Form 990-T for this year? If "No," provide an explanation in Schedule O	Yes	
4a	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)?	Yes	
b	If "Yes," enter the name of the foreign country <u>CJ, EI</u> See the instructions for exceptions and filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts .		
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?		No
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?		No
c	If "Yes," to 5a or 5b, did the organization file Form 8886-T, <i>Disclosure by Tax-Exempt Entity Regarding Prohibited Tax Shelter Transaction</i> ?		
6a	Did the organization solicit any contributions that were not tax deductible?		No
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		
7	<i>Organizations that may receive deductible contributions under section 170(c).</i>		
a	Did the organization provide goods or services in exchange for any quid pro quo contribution of \$75 or more?		No
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?		
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?		No
d	If "Yes," indicate the number of Forms 8282 filed during the year		
	7d		
e	Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?		No
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?		No
g	For all contributions of qualified intellectual property, did the organization file Form 8899 as required?		
h	For contributions of cars, boats, airplanes, and other vehicles, did the organization file a Form 1098-C as required?		
8	<i>Section 501(c)(3) and other sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations.</i> Did the supporting organization, or a fund maintained by a sponsoring organization, have excess business holdings at any time during the year?		
9	<i>Section 501(c)(3) and other sponsoring organizations maintaining donor advised funds.</i>		
a	Did the organization make any taxable distributions under section 4966?		
b	Did the organization make a distribution to a donor, donor advisor, or related person?		
10	<i>Section 501(c)(7) organizations.</i> Enter		
a	Initiation fees and capital contributions included on Part VIII, line 12		
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities		
11	<i>Section 501(c)(12) organizations.</i> Enter		
a	Gross income from members or shareholders		
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)		
12a	<i>Section 4947(a)(1) non-exempt charitable trusts.</i> Is the organization filing Form 990 in lieu of Form 1041?		
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year		
	12b		

Part VI Governance, Management, and Disclosure (Sections A, B, and C request information about policies not required by the Internal Revenue Code.)

Section A. Governing Body and Management

For each "Yes" response to lines 2-7 below, and for a "No" response to lines 8 or 9b below, describe the circumstances, processes, or changes in Schedule O. See instructions.

		Yes	No
1a	Enter the number of voting members of the governing body		
1b	Enter the number of voting members that are independent		
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	Yes	
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person?		No
4	Did the organization make any significant changes to its organizational documents since the prior Form 990 was filed?	Yes	
5	Did the organization become aware during the year of a material diversion of the organization's assets?		No
6	Does the organization have members or stockholders?		No
7a	Does the organization have members, stockholders, or other persons who may elect one or more members of the governing body?		No
7b	Are any decisions of the governing body subject to approval by members, stockholders, or other persons?		No
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following		
8a	the governing body?	Yes	
8b	each committee with authority to act on behalf of the governing body?	Yes	
9a	Does the organization have local chapters, branches, or affiliates?		No
9b	If "Yes," does the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with those of the organization?		
10	Was a copy of the Form 990 provided to the organization's governing body before it was filed? All organizations must describe in Schedule O the process, if any, the organization uses to review the Form 990	Yes	
11	Is there any officer, director or trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O		No

Section B. Policies

		Yes	No
12a	Does the organization have a written conflict of interest policy? If "No", go to line 13	Yes	
12b	Are officers, directors or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	Yes	
12c	Does the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this is done	Yes	
13	Does the organization have a written whistleblower policy?	Yes	
14	Does the organization have a written document retention and destruction policy?	Yes	
15	Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision		
15a	The organization's CEO, Executive Director, or top management official?	Yes	
15b	Other officers or key employees of the organization? Describe the process in Schedule O	Yes	
16a	Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?	Yes	
16b	If "Yes," has the organization adopted a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable Federal tax law, and taken steps to safeguard the organization's exempt status with respect to such arrangements?	Yes	

Section C. Disclosure

- 17** List the States with which a copy of this Form 990 is required to be filed IL
- 18** Section 6104 requires an organization to make its Form 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection. Indicate how you make these available. Check all that apply.
 own website another's website upon request
- 19** Describe in Schedule O whether (and if so, how), the organization makes its governing documents, conflict of interest policy, and financial statements available to the public. See Additional Data Table
- 20** State the name, physical address, and telephone number of the person who possesses the books and records of the organization
 DENNIS HESCH CFO
 611 W Park
 Urbana, IL 61801
 (217) 383-3311

Part VIII Statement of Revenue

			(A) Total Revenue	(B) Related or Exempt Function Revenue	(C) Unrelated Business Revenue	(D) Revenue Excluded from Tax under IRC 512, 513, or 514	
Contributions, gifts, grants and other similar amounts	1a	Federated campaigns . . . 1a					
	b	Membership dues					
	c	Fundraising events					
	d	Related organizations . . . 1d 456,002					
	e	Government grants (contributions) 1e					
	f	All other contributions, gifts, grants, and similar amounts not included above 1f					
	g	Noncash contributions included in lines 1a-1f \$ _____					
	h	Total (Add lines 1a-1f)	456,002				
Program Service Revenue	2a	Rent from Related Entities	532,000	28,406,112	28,406,112		
	b	Management Fees	541,610	1,548,000	1,548,000		
	c						
	d						
	e						
	f	All other program service revenue					
	g	Total. Add lines 2a-2f \$ 29,954,112					
Other Revenue	3	Investment income (including dividends, interest other similar amounts)	28,704,547	4,468,663	10,713,677	13,528,146	
	4	Income from investment of tax-exempt bond proceeds	3,581			3,581	
	5	Royalties	0				
	6a		(i) Real				
			(ii) Personal				
		b	Gross Rents	13,652,575			
		c	Less rental expenses	8,479,146			
	d	Rental income or (loss)	5,173,429				
	d	Net rental income or (loss)	5,173,429	5,173,429			
	7a		(i) Securities				
			(ii) Other				
		b	Gross amount from sales of assets other than inventory	196,956,050	233,552		
c		Less cost or other basis and sales expenses	301,367,669	221,031			
d	Gain or (loss)	-104,411,619	12,521				
d	Net gain or (loss)	-104,399,098			-104,399,098		
8a		Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c) See Part IV, line 18 Attach Schedule G if total exceeds \$15,000 a					
	b	Less direct expenses . . . b					
	c	Net income or (loss) from fundraising events	0				
9a		Gross income from gaming activities See part IV, line 19 Complete Schedule G if total exceeds \$15,000 a					
	b	Less direct expenses . . . b					
	c	Net income or (loss) from gaming activities	0				
10a		Gross sales of inventory, less returns and allowances a					
	b	Less cost of goods sold . . . b					
	c	Net income or (loss) from sales of inventory	0				
	Miscellaneous Revenue	Business Code					
11a	Carle Clinic Assn - MBCI A/R Interest	621,110	112,551		112,551		
b	Various Carle Clinic Assn Revenue	900,099	93,965	93,965			
c	All other revenue	900,099	50	50			
d	All other revenue _____						
e	Total. Add lines 11a-11d \$ 206,566						
12	Total Revenue. Add lines 1h, 2g, 3, 4, 5, 6d, 7d, 8c, 9c, 10c, and 11e		-39,900,861	39,690,219	10,713,677	-90,754,820	

Part IX Statement of Functional Expenses

**Section 501(c)(3) and 501(c)(4) organizations must complete all columns.
All other organizations must complete column (A) but are not required to complete columns (B), (C), and (D).**

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.		(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1	Grants and other assistance to governments and organizations in the U S See Part IV, line 21	1,656,384	1,656,384		
2	Grants and other assistance to individuals in the U S See Part IV, line 22	0			
3	Grants and other assistance to governments, organizations and individuals outside the U S See Part IV, lines 15 and 16	0			
4	Benefits paid to or for members	0			
5	Compensation of current officers, directors, trustees, and key employees	2,064,664	1,032,332	1,032,332	
6	Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	0			
7	Other salaries and wages	2,434,379	1,038,700		
8	Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	203,885	92,686	111,199	
9	Other employee benefits	1,354,221	453,128	901,093	
10	Payroll taxes	191,801	77,157	114,644	
11	Fees for services (non-employees)				
a	Management	0			
b	Legal	3,228,186		3,228,186	
c	Accounting	55,000		55,000	
d	Lobbying	51,000		51,000	
e	Professional fundraising See Part IV, line 17	0			
f	Investment management fees	0			
g	Other	2,850,942	1,208,432	1,642,510	
12	Advertising and promotion	26,000		26,000	
13	Office expenses	188,545	85,210	103,335	
14	Information technology	87,045	49,537	37,508	
15	Royalties	0			
16	Occupancy	1,352,715	586,826	765,889	
17	Travel	50,570		50,570	
18	Payments of travel or entertainment expenses for any Federal, state or local public officials	0			
19	Conferences, conventions and meetings	99,685		99,685	
20	Interest	8,401,483	8,240,185	161,298	
21	Payments to affiliates	0			
22	Depreciation, depletion, and amortization	16,382,471	16,297,744	84,727	
23	Insurance	0			
24	Other expenses—Itemize expenses not covered above (Expenses grouped together and labeled miscellaneous may not exceed 5% of total expenses shown on line 25 below)				
a	FEDERAL TAXES	3,457,764		3,457,764	
b	STATE AND OTHER TAXES	3,011,092		3,011,092	
c	INTERNAL FEES	1,089,734	540,000	549,734	
d	INSURANCE AND PROPERTY TAXES	1,585	796	789	
e	LOSS ON IMPAIRMENT	642,780	642,780		
f	All other expenses	111,001	1,302	109,699	
25	Total functional expenses. Add lines 1 through 24f	48,992,932	32,003,199	16,989,733	0
26	Joint Costs. Check <input type="checkbox"/> if following SOP 98-2 Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation				

Part X Balance Sheet

		(A)		(B)
		Beginning of year		End of year
Assets	1 Cash—non-interest-bearing	1,354,479	1	3,572,999
	2 Savings and temporary cash investments	5,607,585	2	37,594,282
	3 Pledges and grants receivable, net		3	
	4 Accounts receivable, net		4	
	5 Receivables from current and former officers, directors, trustees, key employees or other related parties <i>Complete Part II of Schedule L</i>		5	
	6 Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) <i>Complete Part II of Schedule L</i>		6	
	7 Notes and loans receivable, net	0	7	0
	8 Inventories for sale or use		8	
	9 Prepaid expenses and deferred charges	336,904	9	293,542
	10a Land, buildings, and equipment cost basis			
		10a 499,791,854		
	b Less accumulated depreciation <i>Complete Part VI of Schedule D</i>			
		10b 237,268,583	251,798,564	10c 262,523,271
	11 Investments—publicly traded securities	271,067,755	11	271,452,576
	12 Investments—other securities See Part IV, line 11 <i>Complete Part VII of Schedule D</i>	126,385,836	12	74,523,965
	13 Investments—program-related See Part IV, line 11 <i>Complete Part VIII of Schedule D</i>		13	
14 Intangible assets		14		
15 Other assets See Part IV, line 11 <i>Complete Part IX of Schedule D</i>	8,577,003	15	3,911,405	
16 Total assets. Add lines 1 through 15 (must equal line 34)	665,128,126	16	653,872,040	
Liabilities	17 Accounts payable and accrued expenses	17,869,652	17	10,106,323
	18 Grants payable		18	
	19 Deferred revenue		19	
	20 Tax-exempt bond liabilities	0	20	239,245,104
	21 Escrow account liability <i>Complete Part IV of Schedule D</i>		21	
	22 Payable to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons <i>Complete Part II of Schedule L</i>		22	
	23 Secured mortgages and notes payable to unrelated third parties	224,339,096	23	0
	24 Unsecured notes and loans payable		24	
	25 Other liabilities <i>Complete Part X of Schedule D</i>	197,983,889	25	17,209,208
	26 Total liabilities. Add lines 17 through 25	440,192,637	26	266,560,635
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.			
	27 Unrestricted net assets	224,935,489	27	387,311,405
	28 Temporarily restricted net assets		28	
	29 Permanently restricted net assets		29	
	Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 30 through 34.			
	30 Capital stock or trust principal, or current funds		30	
	31 Paid-in or capital surplus, or land, building or equipment fund		31	
	32 Retained earnings, endowment, accumulated income, or other funds		32	
33 Total net assets or fund balances	224,935,489	33	387,311,405	
34 Total liabilities and net assets/fund balances	665,128,126	34	653,872,040	

Part XI Financial Statements and Reporting

		Yes	No
1	Accounting method used to prepare the Form 990 <input type="checkbox"/> cash <input checked="" type="checkbox"/> accrual <input type="checkbox"/> other		
2a	Were the organization's financial statements compiled or reviewed by an independent accountant?		No
2b	Were the organization's financial statements audited by an independent accountant?		No
2c	If "Yes" to lines 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant?		
3a	As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?		No
3b	If "Yes," did the organization undergo the required audit or audits?		

SCHEDULE A
(Form 990 or 990EZ)

Public Charity Status and Public Support

OMB No 1545-0047

2008

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

To be completed by all section 501(c)(3) organizations and section 4947(a)(1) nonexempt charitable trusts.
Attach to Form 990 or Form 990-EZ. See separate instructions.

Name of the organization
THE CARLE FOUNDATION

Employer identification number
37-0673465

Part I Reason for Public Charity Status (to be completed by all organizations) (See Instructions)

The organization is not a private foundation because it is (Please check only **one** organization)

- 1 A church, convention of churches, or association of churches described in **Section 170(b)(1)(A)(i)**.
- 2 A school described in **Section 170(b)(1)(A)(ii)**. (Attach Schedule E)
- 3 A hospital or a cooperative hospital service organization described in **Section 170(b)(1)(A)(iii)**. (Attach Schedule H)
- 4 A medical research organization operated in conjunction with a hospital described in **Section 170(b)(1)(A)(iii)**. Enter the hospital's name, city, and state _____
- 5 An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **Section 170(b)(1)(A)(iv)**. (Complete Part II)
- 6 A federal, state, or local government or governmental unit described in **Section 170(b)(1)(A)(v)**.
- 7 An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **Section 170(b)(1)(A)(vi)** (Complete Part II)
- 8 A community trust described in **Section 170(b)(1)(A)(vi)** (Complete Part II)
- 9 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 exempt 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)**. (Complete Part III)
- 10 An organization organized and operated exclusively to test for public safety See **Section 509(a)(4)**. (See instructions)
- 11 An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2) See **Section 509(a)(3)**. Check the box that describes the type of supporting organization and complete lines 11e through 11h
 a Type I b Type II c Type III - Functionally Integrated d Type III - Other

e By checking this box, I certify that the organization is not controlled directly or indirectly by one or more disqualified persons other than foundation managers and other than one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2)

f If the organization received a written determination from the IRS that it is a Type I, Type II or Type III supporting organization, check this box

g Since August 17, 2006, has the organization accepted any gift or contribution from any of the following persons?

- (i) a person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the the supported organization?
- (ii) a family member of a person described in (i) above?
- (iii) a 35% controlled entity of a person described in (i) or (ii) above?

	Yes	No
11g(i)		No
11g(ii)		No
11g(iii)		No

h Provide the following information about the organizations the organization supports

(i) Name of Supported Organization	(ii) EIN	(iii) Type of organization (described on lines 1 - 9 above or IRC section (See Instructions))	(iv) Is the organization in col (i) listed in your governing document?		(v) Did you notify the organization in col (i) of your support?		(vi) Is the organization in col (i) organized in the U S ?		(vii) Amount of support?
			Yes	No	Yes	No	Yes	No	
Carle Foundation Hospital	371119538	03	Yes		Yes		Yes		31943199
Carle Development Foundation	371159978	07	Yes		Yes		Yes		0
Carle Arbours	371155535	09	Yes		Yes		Yes		0
Carle Health Care	371140016	09	Yes		Yes		Yes		60000
Carle Retirement Centers	371160033	09	Yes		Yes		Yes		0
Total									32,003,199

Part II Support Schedule for Organizations Described in IRC 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)
(Complete only if you checked the box on line 5, 7, or 8 of Part I.)

Public Support

Calendar year (or fiscal year beginning in)	(a) 2004	(b) 2005	(c) 2006	(d) 2007	(e) 2008	(f) Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants.")						
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
3 The value of services or facilities furnished by a governmental unit to the organization without charge						
4 Total. Add line 1-3						
5 The portion of total contribution by each person (other than a government unit or publicly supported organization) included on line 1 that exceed 2% of the amount shown on line 11, column (f)						
6 Public Support subtract line 5 from line 4						

Total Support

Calendar year (or fiscal year beginning in)	(a) 2004	(b) 2005	(c) 2006	(d) 2007	(e) 2008	(f) Total
7 Amounts from line 4						
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income Do not include gain or loss from the sale of capital assets (Explain in Part IV)						
11 Total Support (Add lines 7 through 10)						
12 Gross receipts from related activities, etc (See instructions)					12	
13 First Five Years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a 501(c)(3) organization, check this box and stop here						<input type="checkbox"/>

Computation of Public Support Percentage

14 Public Support Percentage for 2008 (line 6 column (f) divided by line 11 column (f))	14	
15 Public Support Percentage for 2007 Schedule A, Part IV-A, line 26f	15	
16a 33 1/3% Test - 2008. If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization		<input type="checkbox"/>
b 33 1/3% Test - 2007. If the organization did not check the box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization		<input type="checkbox"/>
17a 10% Facts and Circumstances Test - 2008. If the organization did not check a box on line 13, 16a, or 16b and line 14 is 10% or more, and if the organization meets the "facts and circumstances" test, check this box and stop here. Explain in Part IV how the organization meets the "facts and circumstances" test The organization qualifies as a publicly supported organization		<input type="checkbox"/>
b 10% Facts and Circumstances Test - 2007. If the organization did not check a box on line 13, 16a, 16b, or 17a and line 15 is 10% or more, and if the organization meets the "facts and circumstances" test, check this box and stop here. Explain in Part IV how the organization meets the "facts and circumstances" test The organization qualifies as a publicly supported organization		<input type="checkbox"/>
18 Private Foundation. If the organization did not check the box on line 13, 16a, 16b, 17a or 17b, check this box and see instructions		<input type="checkbox"/>

Part III Support Schedule for Organizations Described in IRC 509(a)(2)

(Complete only if you checked the box on line 9 of Part I.)

Section A. Public Support

Calendar year (or fiscal year beginning in)	(a) 2004	(b) 2005	(c) 2006	(d) 2007	(e) 2008	(f) Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants")						
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose						
3 Gross receipts from activities that are not an unrelated trade or business under section 513						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5 The value of services or facilities furnished by a governmental unit to the organization without charge						
6 Total Add lines 1-5						
7a Amounts included on lines 1, 2, and 3 received from disqualified persons						
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of 1% of the total of lines 9, 10c, 11, and 12 for the year or \$5,000						
c Total of lines 7a and 7b						
8 Public Support (Subtract line 7c from line 6)						

Total Support

Calendar year (or fiscal year beginning in)	(a) 2004	(b) 2005	(c) 2006	(d) 2007	(e) 2008	(f) Total
9 Amounts from line 6						
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after 30 June, 1975						
c Add lines 10a and 10b						
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income Do not include gain or loss from the sale of capital assets (Explain in Part IV)						
13 Total Support (Add lines 9, 10c, 11 and 12)						
14 First Five Years If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a 501(c)(3) organization, check this box and stop here <input type="checkbox"/>						

Computation of Public Support Percentage

15 Public Support Percentage for 2008 (line 8 column (f) divided by line 13 column (f))	15	
16 Public Support Percentage for 2007 Schedule A, Part IV-A, line 27g	16	

Computation of Investment Income Percentage

17 Investment Income Percentage for 2008 (line 10c column (f) divided by line 13 column (f))	17	
18 Investment Income Percentage from 2007 Schedule A, Part IV-A, line 27h	18	

- 19a 33 1/3% Tests - 2008.** If the organization did not check the box on line 14, and line 15 is more than 33 1/3%, and line 17 is not more than 33 1/3%, check this box and **stop here.** The organization qualifies as a publicly supported organization
- b 33 1/3% Tests - 2007.** If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3% and line 18 is not more than 33 1/3%, check this box and **stop here.** The organization qualifies as a publicly supported organization
- 20 Private Foundation** If the organization did not check a box on line 14, 19a or 19b, check this box and see instructions

Part IV **Supplemental Information.** Complete this part to provide the information required by Part II, line 10; Part II, line 17a or 17b, or Part III, line 12. Provide and any other additional information. (see instructions)

Facts and Circumstances Test

Part I, Line 11f, Column (VII) The corporation engages in activities, including facilities and management, for the benefit of Carle Foundation Hospital and other related exempt entities

SCHEDULE C (Form 990 or 990-EZ)

Political Campaign and Lobbying Activities

OMB No 1545-0047

For Organizations Exempt From Income Tax Under section 501(c) and section 527

2008

Open to Public Inspection

Department of the Treasury Internal Revenue Service

To be completed by organizations described below. Attach to Form 990 or Form 990-EZ

If the organization answered "Yes," to Form 990, Part IV, Line 3, or Form 990-EZ, Part VI, line 46 (Political Campaign Activities)

- Section 501(c)(3) organizations complete Parts I-A and B Do not complete Part I-C
Section 501(c) (other than section 501(c)(3)) organizations complete Parts I-A and C below Do not complete Part I-B
Section 527 organizations complete Part I-A only

If the organization answered "Yes," to Form 990, Part IV, Line 4, or Form 990-EZ, Part VI, line 47 (Lobbying Activities)

- Section 501(c)(3) organizations that have filed Form 5768 (election under section 501(h)) complete Part II-A Do not complete Part II-B
Section 501(c)(3) organizations that have NOT filed Form 5768 (election under section 501(h)) Complete Part II-B Do not complete Part II-A

If the organization answered "Yes," to Form 990, Part IV, Line 5 (Proxy Tax)

- Section 501(c)(4), (5), or (6) organizations complete Part III

Name of the organization THE CARLE FOUNDATION

Employer identification number

37-0673465

Part I-A To be completed by all organizations exempt under section 501(c) and section 527 organizations. (See the instructions for Schedule C for details.)

- 1 Provide a description of the organization's direct and indirect political campaign activities in Part IV
2 Political expenditures \$
3 Volunteer hours

Part I-B To be completed by all organizations exempt under section 501(c)(3). (See the instructions for Schedule C for details.)

- 1 Enter the amount of any excise tax incurred by the organization under section 4955 \$
2 Enter the amount of any excise tax incurred by organization managers under section 4955 \$
3 If the organization incurred in a section 4955 tax, did it file Form 4720 for this year? Yes No
4a Was a correction made? Yes No
b If "Yes," describe in Part IV

Part I-C To be completed by all organizations exempt under section 501(c), except section 501(c)(3). (See the instructions for Schedule C for details.)

- 1 Enter the amount directly expended by the filing organization for section 527 exempt function activities \$
2 Enter the amount of the filing organization's internal funds contributed to other organizations for section 527 exempt function activities \$
3 Total of direct and indirect exempt function expenditures Add lines 1 and 2 and enter here and on Form 1120-POL, line 17b \$
4 Did the filing organization file Form 1120-POL for this year? Yes No
5 State the names, addresses and Employer Identification Number (EIN) of all section 527 political organizations to which payments were made Enter the amount paid and indicate if the amount was paid from the filing organization's own internal funds or were political contributions received and promptly and directly delivered to a separate political organization, such as a separate segregated fund or a political action committee (PAC) If additional space is needed, provide information in Part IV

Table with 5 columns: (a) Name, (b) Address, (c) EIN, (d) Amount paid from filing organization's internal funds, (e) Amount of political contributions received and promptly and directly delivered to a separate political organization.

Part II-A To be completed by organizations exempt under section 501(c)(3) that filed Form 5768 (election under section 501(h)). (See the instructions for Schedule C for details.)

- A** Check if the filing organization belongs to an affiliated group
- B** Check if the filing organization checked box A and "limited control" provisions apply

Limits on Lobbying Expenditures— (The term "expenditures" means amounts paid or incurred.)	(a) Filing Organization's Totals	(b) Affiliated Group Totals
1a Total lobbying expenditures to influence public opinion (grass roots lobbying)		
b Total lobbying expenditures to influence a legislative body (direct lobbying)		
c Total lobbying expenditures (add lines 1a and 1b)		
d Other exempt purpose expenditures		
e Total exempt purpose expenditures (add lines 1c and 1d)		
f Lobbying nontaxable amount Enter the amount from the following table in both columns— If the amount on line 1e, column (a) or (b) is:		
Not over \$500,000	The lobbying nontaxable amount is: 20% of the amount on line 1e	
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	
g Grassroots nontaxable amount (enter 25% of line 1f)		
h Subtract line 1g from line 1a Enter -0- if line g is more than line a		
i Subtract line 1f from line 1c Enter -0- if line f is more than line c		
j If there is an amount other than zero on either line 1h or line 1i, did the organization file Form 4720 reporting section 4911 tax for this year?		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

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 1a through 1f of the instructions.)

Lobbying Expenditures During 4-Year Averaging Period					
Calendar year (or fiscal year beginning in)	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) Total
2a Lobbying non-taxable amount					
b Lobbying ceiling amount (150% of line 2a, column(e))					
c Total lobbying expenditures					
d Grassroots non-taxable amount					
e Grassroots ceiling amount (150% of line d, column (e))					
f Grassroots lobbying expenditures					

Part II-B To be completed by organizations exempt under section 501(c)(3) that have NOT filed Form 5768 (election under section 501(h)). (See the instructions for Schedule C for details.)

	(a)		(b)
	Yes	No	Amount
1 During the year, did the filing organization attempt to influence foreign, national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of			
a Volunteers?		No	
b Paid staff or management (include compensation in expenses reported on lines c through i)?		No	
c Media advertisements?		No	
d Mailings to members, legislators, or the public?		No	
e Publications, or published or broadcast statements?		No	
f Grants to other organizations for lobbying purposes?		No	
g Direct contact with legislators, their staffs, government officials, or a legislative body?	Yes		51,000
h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any other means?		No	
i Other activities. If "Yes," describe in Part IV		No	
j Total lines 1c through 1i			51,000
2a Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?		No	
b If "Yes" enter the amount of any tax incurred under section 4912			
c If "Yes" enter the amount of any tax incurred by organization managers under section 4912			
d If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?		No	

Part III-A To be completed by all organizations exempt under section 501(c)(4), section 501(c)(5), or section 501(c)(6). (See the instructions for Schedule C for details.)

	Yes	No
1 Were substantially all (90% or more) dues received nondeductible by members?	1	
2 Did the organization make only in-house lobbying expenditures of \$2,000 or less?	2	
3 Did the organization agree to carryover lobbying and political expenditures from the prior year?	3	

Part III-B To be completed by all organizations exempt under section 501(c)(4), section 501(c)(5), or section 501(c)(6) if BOTH Part III-A, questions 1 and 2 are answered "No" OR if Part III-A, question 3 is answered "Yes." (See the instructions for Schedule C for details.)

1 Dues, assessments and similar amounts from members	1 \$
2 Section 162(e) non-deductible lobbying and political expenditures <i>(do not include amounts of political expenses for which the section 527(f) tax was paid).</i>	
a Current Year	2a \$
b Carryover from last year	2b \$
c Total	2c \$
3 Aggregate amount reported in section 6033(e)(1)(A) notices of nondeductible section 162(e) dues	3 \$
4 If notices were sent and the amount on line 2c exceeds the amount on line 3, what portion of the excess does the organization agree to carryover to the reasonable estimate of nondeductible lobbying and political expenditure next year?	4 \$
5 Taxable amount of lobbying and political expenditures (line 2c total minus 3 and 4)	5 \$

Part IV Supplemental Information

Complete this part to provide the descriptions required for Part I-A, line 1, Part I-B, line 4, Part I-C, line 5, and Part II-B, line 1i. Also, complete this part for any additional information.

Identifier	Return Reference	Explanation
SCHEDULE C SUPPLEMENTAL INFORMATION		The foundation has a contract professional to provide consulting services for the Foundation. As a portion of the contractor's duties, the contractor interacts with governmental officials on behalf of the foundation.

SCHEDULE D (Form 990)

OMB No 1545-0047

Supplemental Financial Statements

2008

Open to Public Inspection

Attach to Form 990. To be completed by organizations that answered "Yes," to Form 990, Part IV, line 6, 7, 8, 9, 10, 11, or 12.

Department of the Treasury Internal Revenue Service

Name of the organization THE CARLE FOUNDATION

Employer identification number 37-0673465

Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts. Complete if the organization answered "Yes" to Form 990, Part IV, line 6.

Table with 3 columns: Question, (a) Donor advised funds, (b) Funds and other accounts. Rows include total number at end of year, aggregate contributions, grants, and value, and questions about donor advisement.

Part II Conservation Easements. Complete if the organization answered "Yes" to Form 990, Part IV, line 7.

Table with 3 columns: Question, (a) Donor advised funds, (b) Funds and other accounts. Rows include purpose of easements, number of easements, acreage, and monitoring details.

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets. Complete if the organization answered "Yes" to Form 990, Part IV, line 8.

Table with 3 columns: Question, (a) Donor advised funds, (b) Funds and other accounts. Rows include questions about reporting art and historical treasures.

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets (continued)

3 Using the organization's accession and other records, check any of the following that are a significant use of its collection items (check all that apply)

- a Public exhibition, b Scholarly research, c Preservation for future generations, d Loan or exchange programs, e Other

4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIV

5 During the year, did the organization solicit or receive donations of art, historical treasures or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection? Yes No

Part IV Trust, Escrow and Custodial Arrangements. Complete if the organization answered "Yes" to Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

1a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X? Yes No

b If "Yes," explain why in Part XIV and complete the following table

Table with 2 columns: Description (1c-1f) and Amount

2a Did the organization include an amount on Form 990, Part X, line 21? Yes No

b If "Yes," explain the arrangement in Part XIV

Part V Endowment Funds. Complete if the organization answered "Yes" to Form 990, Part IV, line 10.

Table with 6 columns: (a) Current Year, (b) Prior Year, (c) Two Years Back, (d) Three Years Back, (e) Four Years Back. Rows 1a-1g.

2 Provide the estimated percentage of the year end balance held as

- a Board designated or quasi-endowment, b Permanent endowment, c Term endowment

3a Are there endowment funds not in the possession of the organization that are held and administered for the organization by

Table with 3 columns: Description (3a(i), 3a(ii), 3b), Yes, No

4 Describe in Part XIV the intended uses of the organization's endowment funds

Part VI Investments—Land, Buildings, and Equipment. See Form 990, Part X, line 10.

Table with 5 columns: Description of investment, (a) Cost or other basis (investment), (b) Cost or other basis (other), (c) Depreciation, (d) Book value. Rows 1a-1e and Total.

Part XI Reconciliation of Change in Net Assets from Form 990 to Financial Statements

1	Total revenue (Form 990, Part VIII, column (A), line 12)	1	
2	Total expenses (Form 990, Part IX, column (A), line 25)	2	
3	Excess or (deficit) for the year Subtract line 2 from line 1	3	
4	Net unrealized gains (losses) on investments	4	
5	Donated services and use of facilities	5	
6	Investment expenses	6	
7	Prior period adjustments	7	
8	Other (Describe in Part XIV)	8	
9	Total adjustments (net) Add lines 4 - 8	9	
10	Excess or (deficit) for the year per financial statements Combine lines 3 and 9	10	

Part XII Reconciliation of Revenue per Audited Financial Statements With Revenue per Return

1	Total revenue, gains, and other support per audited financial statements	1	
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12		
a	Net unrealized gains on investments	2a	
b	Donated services and use of facilities	2b	
c	Recoveries of prior year grants	2c	
d	Other (Describe in Part XIV)	2d	
e	Add lines 2a through 2d	2e	
3	Subtract line 2e from line 1	3	
4	Amounts included on Form 990, Part VIII, line 12, but not on line 1		
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	
b	Other (Describe in Part XIV)	4b	
c	Add lines 4a and 4b	4c	
5	Total Revenue Add lines 3 and 4c . (This should equal Form 990, Part I, line 12)	5	

Part XIII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return

1	Total expenses and losses per audited financial statements	1	
2	Amounts included on line 1 but not on Form 990, Part IX, line 25		
a	Donated services and use of facilities	2a	
b	Prior year adjustments	2b	
c	Losses reported on Form 990, Part IX, line 25	2c	
d	Other (Describe in Part XIV)	2d	
e	Add lines 2a through 2d	2e	
3	Subtract line 2e from line 1	3	
4	Amounts included on Form 990, Part IX, line 25, but not on line 1:		
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	
b	Other (Describe in Part XIV)	4b	
c	Add lines 4a and 4b	4c	
5	Total expenses Add lines 3 and 4c . (This should equal Form 990, Part I, line 18)	5	

Part XIV Supplemental Information

Complete this part to provide the descriptions required for Part II, lines 3, 5, and 9, Part III, lines 1a and 4, Part XIV, lines 1b and 2b, Part V, line 4, Part X, Part XI, line 8, Part XII, lines 2d and 4b, and Part XIII, lines 2d and 4b

Identifier	Return Reference	Explanation
SCHEDULE D SUPPLEMENTAL INFORMATION		ON JULY 1, 2007, THE FOUNDATION ADOPTED THE PROVISIONS OF FASB INTERPRETATION NO 48 (FIN 48), ACCOUNTING FOR UNCERTAINTY IN INCOME TAXES, WHICH CLARIFIES THE ACCOUNTING FOR UNCERTAINTY IN INCOME TAXES RECOGNIZED IN AN ORGANIZATION'S FINANCIAL STATEMENT FIN 48 PRESCRIBES A MORE-LIKELY-THAN-NOT RECOGNITION THRESHOLD AND MEASUREMENT ATTRIBUTE FOR FINANCIAL STATEMENT RECOGNITION OF A TAX POSITION TAKEN OR EXPECTED TO BE TAKEN AMOUNTS REQUIRING RECOGNITION UNDER FIN 48 ARE REFLECTED AS A LIABILITY FOR UNCERTAIN TAX BENEFITS ALONG WITH ANY ASSOCIATED INTEREST AND PENALTIES THAT WOULD BE PAYABLE TO THE TAXING AUTHORITIES UPON EXAMINATION THERE WERE NO UNCERTAIN TAX BENEFITS IDENTIFIED OR RECORDED AS A LIABILITY UPON THE ADOPTION OF FIN 48 OR AT JUNE 30, 2009 AND 2008

SCHEDULE F (Form 990)

Statement of Activities Outside the United States

OMB No 1545-0047

2008

Open to Public Inspection

Attach to Form 990. Complete if the organization answered "Yes" to Form 990, Part IV, line 14b.

Department of the Treasury Internal Revenue Service

Name of the organization THE CARLE FOUNDATION

Employer identification number 37-0673465

Part I General Information on Activities Outside the United States. Complete if the organization answered "Yes" to Form 990, Part IV, line 14b.

- 1 For grantmakers. Does the organization maintain records to substantiate the amount of the grants or assistance...
2 For grantmakers. Describe in Part IV the organization's procedures for monitoring the use of grant funds outside the United States
3 Activities per Region (Use Schedule F-1 (Form 990) if additional space is needed)

Table with 6 columns: (a) Region, (b) Number of offices in the region, (c) Number of employees or agents in region, (d) Activities conducted in region (by type), (e) If activity listed in (d) is a program service, describe specific type of service(s) in region, (f) Total expenditures in region. Includes rows for Central America and the Caribbean and a Totals row.

Software ID:
Software Version:
EIN: 37-0673465
Name: THE CARLE FOUNDATION

Form 990 Schedule F Part II - Grants and Other Assistance to Organizations or Entities Outside The United States

(a) Name of organization	(b) IRS code section and EIN (if applicable)	(c) Region	(d) Purpose of grant	(e) Amount of cash grant	(f) Manner of cash disbursement	(g) Amount of non-cash assistance	(h) Description of non-cash assistance	(i) Method of valuation (book, FMV, appraisal, other)
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Schedule I (Form 990)

OMB No 1545-0047

Grants and Other Assistance to Organizations, Governments and Individuals in the U.S.

2008

Open to Public Inspection

Department of the Treasury Internal Revenue Service

Complete if the organization answered "Yes," on Form 990, Part IV, lines 21 or 22. Attach to Form 990.

Name of the organization

THE CARLE FOUNDATION

Employer identification number

37-0673465

Part I General Information on Grants and Assistance

- 1 Does the organization maintain records to substantiate the amount of the grants or assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance?
2 Describe in Part IV the organization's procedures for monitoring the use of grant funds in the United States

Part II Grants and Other Assistance to Governments and Organizations in the United States. Complete if the organization answered "Yes" on Form 990, Part IV, line 21 for any recipient that received more than \$5,000. Check this box if no one recipient received more than \$5,000. Use Part IV and Schedule I-1 if additional space is needed.

Table with 8 columns: (a) Name and address of organization or government, (b) EIN, (c) IRC section if applicable, (d) Amount of cash grant, (e) Amount of non-cash assistance, (f) Method of valuation, (g) Description of non-cash assistance, (h) Purpose of grant or assistance. Includes entries for Carle Foundation Hospital and Carle Health Care Incorporated.

- 2 Enter total number of section 501(c)(3) and government organizations
3 Enter total number of other organizations

Part III Grants and Other Assistance to Individuals in the United States. Complete if the organization answered "Yes" on Form 990, Part IV, line 22.
Use Schedule I-1 (Form 990) if additional space is needed.

(a) Type of grant or assistance	(b) Number of recipients	(c) Amount of cash grant	(d) Amount of non-cash assistance	(e) Method of valuation (book, FMV, appraisal, other)	(f) Description of non-cash assistance

Part IV Supplemental Information. Complete this part to provide the information required in Part I, line 2, and any other additional information.
See Additional Data Table

Identifier	Return Reference	Explanation
Form 990, Schedule I	Description of Organization's Procedures for Monitoring the Use of Grants	The grants were made to related affiliates, the Carle Hospital Foundation and Carle Health Care, Incorporated, under common control by the parent organization, The Carle Foundation. The grants were made to support the organizations' mission for meeting the needs of the community we serve.

Schedule J
(Form 990)

Compensation Information

OMB No 1545-0047

2008

Open to Public Inspection

For certain Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

▶ **Attach to Form 990. To be completed by organizations that answered "Yes" to Form 990, Part IV, line 23.**

Department of the Treasury
Internal Revenue Service

Name of the organization
THE CARLE FOUNDATION

Employer identification number

37-0673465

Part I Questions Regarding Compensation

	Yes	No
1a		
1b		
2		
3		
4a		No
4b		No
4c		No
5a		No
5b		No
6a	Yes	
6b	Yes	
7		No
8		No

1a Check the appropriate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a. Complete Part III to provide any relevant information regarding these items.

<input type="checkbox"/> First class or charter travel	<input type="checkbox"/> Housing allowance or residence for personal use
<input type="checkbox"/> Travel for companions	<input type="checkbox"/> Payments for business use of personal residence
<input type="checkbox"/> Tax idemnification and gross-up payments	<input type="checkbox"/> Health or social club dues or initiation fees
<input type="checkbox"/> Discretionary spending account	<input type="checkbox"/> Personal services (e.g., maid, chauffeur, chef)

b If line 1a is checked, did the organization follow a written policy regarding payment or reimbursement or provision of all the expenses described above? If "No," complete Part III to explain

2 Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all officers, directors, trustees, and the CEO/Executive Director, regarding the items checked in line 1a?

3 Indicate which, if any, of the following the organization uses to establish the compensation of the organization's CEO/Executive Director. Check all that apply.

- | | |
|---|---|
| <input checked="" type="checkbox"/> Compensation committee | <input checked="" type="checkbox"/> Written employment contract |
| <input checked="" type="checkbox"/> Independent compensation consultant | <input checked="" type="checkbox"/> Compensation survey or study |
| <input type="checkbox"/> Form 990 of other organizations | <input checked="" type="checkbox"/> Approval by the board or compensation committee |

4 During the year, did any person listed in Form 990, Part VII, Section A, line 1a

a Receive a severance payment or change of control payment?

b Participate in, or receive payment from, a supplemental nonqualified retirement plan?

c Participate in, or receive payment from, an equity-based compensation arrangement?

If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III

501(c)(3) and 501(c)(4) organizations only must complete lines 5-8.

5 For persons listed in form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of

a The organization?

b Any related organization?

If "Yes," to line 5a or 5b, describe in Part III

6 For persons listed in form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of

a The organization?

b Any related organization?

If "Yes," to line 6a or 6b, describe in Part III

7 For persons listed in form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III

8 Were any amounts reported in Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regs. section 53.4958-4(a)(3)? If "Yes," describe in Part III

Part II Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees. Use Schedule J-1 if additional space needed.

For each individual whose compensation must be reported in Schedule J, report compensation from the organization on row (i) and from related organizations described in the instructions on row (ii) Do not list any individuals that are not listed on Form 990, Part VII

Note. The sum of columns (B)(i)-(iii) must equal the applicable column (D) or column (E) amounts on Form 990, Part VII, line 1a

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other compensation				
James C Leonard MD	(i)	488,440	187,250	95,573	176,326	21,037	968,626	0
	(ii)	0	0	0	0	0	0	0
John Snyder	(i)	265,270	77,500	67,031	71,798	19,822	501,421	0
	(ii)	0	0	0	0	0	0	0
Robert Tonkinson Jr	(i)	246,000	57,200	49,093	86,729	18,261	457,283	0
	(ii)	0	0	0	0	0	0	0
Philip Kubow	(i)	215,050	40,600	21,594	39,775	14,850	331,869	0
	(ii)	0	0	0	0	0	0	0
Laurence J Fallon	(i)	178,778	28,800	17,221	45,168	17,249	287,216	0
	(ii)	0	0	0	0	0	0	0
Napoleon Knight MD	(i)	275,333	45,100	64,161	42,091	16,431	443,116	7,531
	(ii)	0	0	0	0	0	0	0
William K Schuh	(i)	252,617	39,125	18,090	61,386	15,111	386,329	0
	(ii)	0	0	0	0	0	0	0
Pamela Bigler	(i)	153,199	29,400	50,795	51,787	16,275	301,456	0
	(ii)	0	0	0	0	0	0	0
Lynette Barnes	(i)	172,028	27,900	23,545	50,893	3,367	277,733	0
	(ii)	0	0	0	0	0	0	0
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							

Software ID:
Software Version:
EIN: 37-0673465
Name: THE CARLE FOUNDATION

Form 990, Schedule J, Part II - Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
		(i) Base Compensation	(ii) Bonus & incentive compensation	(iii) Other compensation				
James C Leonard MD	(i)	488,440	187,250	95,573	176,326	21,037	968,626	0
	(ii)	0	0	0	0	0	0	0
John Snyder	(i)	265,270	77,500	67,031	71,798	19,822	501,421	0
	(ii)	0	0	0	0	0	0	0
Robert Tonkinson Jr	(i)	246,000	57,200	49,093	86,729	18,261	457,283	0
	(ii)	0	0	0	0	0	0	0
Philip Kubow	(i)	215,050	40,600	21,594	39,775	14,850	331,869	0
	(ii)	0	0	0	0	0	0	0
Laurence J Fallon	(i)	178,778	28,800	17,221	45,168	17,249	287,216	0
	(ii)	0	0	0	0	0	0	0
Napoleon Knight MD	(i)	275,333	45,100	64,161	42,091	16,431	443,116	7,531
	(ii)	0	0	0	0	0	0	0
William K Schuh	(i)	252,617	39,125	18,090	61,386	15,111	386,329	0
	(ii)	0	0	0	0	0	0	0
Pamela Bigler	(i)	153,199	29,400	50,795	51,787	16,275	301,456	0
	(ii)	0	0	0	0	0	0	0
Lynette Barnes	(i)	172,028	27,900	23,545	50,893	3,367	277,733	0
	(ii)	0	0	0	0	0	0	0

**Schedule K
(Form 990)**

OMB No 1545-0047

Supplemental Information on Tax Exempt Bonds

2008

To be completed by organizations that answered "Yes" to Form 990, Part IV, line 24a.
Provide descriptions, explanations, and any additional information in Schedule O.

Open to Public
Inspection

Department of the Treasury
Internal Revenue Service

Name of the organization
THE CARLE FOUNDATION

Employer identification number
37-0673465

Part I Bond Issues (Required for 2008)

	(a) Issuer Name	(b) Issuer EIN	(c) CUSIP #	(d) Date Issued	(e) Issue Price	(f) Description of Purpose	(g) Defeased		(h) On Behalf of Issuer	
							Yes	No	Yes	No
A	ILLINOIS FINANCE AUTHORITY	86-1091967		03-18-2009	79,415,000	LOAN REPAYMENT & FACILITIES		X		X
B	Illinois Finance Authority	86-1091967		03-18-2009	25,000,000	LOAN REPAYMENT & FACILITIES		X		X
C	ILLINOIS FINANCE AUTHORITY	86-1091967		03-18-2009	25,000,000	LOAN REPAYMENT & FACILITIES		X		X
D	ILLINOIS FINANCE AUTHORITY	86-1091967		03-18-2009	55,000,000	LOAN REPAYMENT & FACILITIES		X		X
E	ILLINOIS FINANCE AUTHORITY	86-1091967		03-18-2009	55,000,000	LOAN REPAYMENT & FACILITIES		X		X

Part II Proceeds (Optional for 2008)

	A		B		C		D		E	
	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
1 Total Proceeds of Issue										
2 Gross Proceeds in Reserve Funds										
3 Proceeds in Refunding or Defeasance Escrows										
4 Other Unspent Proceeds										
5 Issuance Costs from Proceeds										
6 Working Capital Expenditures from Proceeds										
7 Capital Expenditures from Proceeds										
8 Year of Substantial Completion										
9 Were the bonds issued as part of a current refunding issue?										
10 Were the bonds issued as part of an advance refunding issue?										
11 Has the final allocation of proceeds been made?										
12 Does the organization maintain adequate books and records to support the final allocation of proceeds?										

Part III Private Business Use (Optional for 2008)

	A		B		C		D		E	
	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
1 Was the organization a partner in a partnership, or a member of an LLC, which owned property financed by tax-exempt bonds?										
2 Are there any lease arrangements with respect to the financed property which may result in private business use?										

Part III Private Business Use (Continued)

	A		B		C		D		E	
	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
3a Are there any management or service contracts with respect to the financed property which may result in private business use?										
3b Are there any research agreements with respect to the financed property which may result in private business use?										
3c Does the organization routinely engage bond counsel or other outside counsel to review any management or service contracts or research agreements relating to the financed property?										
4 Enter the percentage of financed property used in a private business use by entities other than a 501(c)(3) organization or a state or local government										
5 Enter the percentage of financed property used in a private business use as a result of unrelated trade or business activity carried on by your organization, another 501(c)(3) organization, or a state or local government										
6 Total of lines 4 and 5										
7 Has the organization adopted management practices and procedures to ensure the post-issuance compliance of its tax-exempt bond liabilities?										

Part IV Arbitrage (Optional for 2008)

	A		B		C		D		E	
	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
1 Has a Form 8038-T been filed with respect to the bond issue?										
2 Is the bond issue a variable rate issue?										
3a Has the organization or the government issuer identified a hedge with respect to the bond issue on its books and records?										
b Name of provider										
c Term of hedge										
4a Were gross proceeds invested in a GIC?										
b Name of provider										
c Term of GIC										
d Was the regulatory safe harbor for establishing the fair market value of the GIC satisfied?										
5 Were any gross proceeds invested beyond an available temporary period?										
6 Did the bond issue qualify for an exception to rebate?										

Schedule L (Form 990 or 990-EZ)

Transactions with Interested Persons

OMB No 1545-0047

2008

Open to Public Inspection

Department of the Treasury Internal Revenue Service

Attach to Form 990 or Form 990-EZ. To be completed by organizations that answered "Yes" on Form 990, Part IV, lines 25a, 25b, 26, 27, 28a, 28b, or 28c, or Form 990-EZ, Part V lines 38b or 40b.

Name of the organization THE CARLE FOUNDATION

Employer identification number

37-0673465

Part I Excess Benefit Transactions (section 501(c)(3) and section 501 (c)(4) organizations only).

To be completed by organizations that answered "Yes" on Form 990, Part IV, line 25a or 25b, or Form 990-EZ, Part V, line 40b

Table with 3 main columns: (a) Name of disqualified person, (b) Description of transaction, (c) Corrected? (Yes/No)

2 Enter the amount of tax imposed on the organization managers or disqualified persons during the year under section 4958 \$

3 Enter the amount of tax, if any, on line 2, above, reimbursed by the organization \$

Part II Loans to and/or From Interested Persons

To be completed by organizations that answered "Yes" on Form 990, Part IV, line 26, or Form 990-EZ, Part V, line 38a

Table with 7 main columns: (a) Name of interested person and purpose, (b) Loan to or from the organization?, (c) Original principal amount, (d) Balance due, (e) In default?, (f) Approved by board or committee?, (g) Written agreement?

Total \$

Part III Grants or Assistance Benefitting Interested Persons

To be completed by organizations that answered "Yes" on Form 990, Part IV, line 27.

Table with 3 main columns: (a) Name of interested person, (b) Relationship between interested person and the organization, (c) Amount of grant or type of assistance

Part IV Business Transactions Involving Interested Persons

To be completed by organizations that answered "Yes" on Form 990, Part IV, line 28a, 28b, or 28c.

Table with 5 main columns: (a) Name of interested person, (b) Relationship between interested person and the organization, (c) Amount of transaction, (d) Description of transaction, (e) Sharing of organization's revenues?

SCHEDULE O
(Form 990)

Supplemental Information to Form 990

2008

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

▶ Attach to Form 990. To be completed by organizations to provide additional information for responses to specific questions for the Form 990 or to provide any additional information.

Name of the organization
THE CARLE FOUNDATION

Employer identification number
37-0673465

Identifier	Return Reference	Explanation
FORM 990, SUPPLEMENTAL INFORMATION		<p>Form 990, Part VI, Question 2 Vice Chairman of the Board, Martin Smith, has business relationships with Trustee, Rick Stephens and with Trustee, Tom Harrington, Jr Secretary of the Board, Cora E Musial PhD, MD has a business relationship with Trustee, Paul Tender, MD Trustee, Thomas E Harrington, Jr, has business relationships with trustee, J Michael Martin, Chairman of the Board, E Phillips Knox and with trustee, Martin Smith Form 990, Part VI, Question 4 There was one significant update to the Bylaws of The Carle Foundation The Conflict of Interest portion (Article IV, Section 8, Interested Trustees, Officers and Committee Members, Conflicts of Interest) was revised to specify that the Corporation's Conflict of Interest Policy will be adhered to when evaluating and determining whether or not to approve a contract or transaction in which an Insider is directly or indirectly a party to the contract or transaction An "insider" is, an individual who is "indirectly" a party to a contract or transaction of a material financial interest or due to the individual holding a position of director, officer, or general partner in an entity that is a party to the contract or transaction Form 990, Part VI, Question 10 The Form 990 was prepared by an external tax advisor and reviewed by management Prior to filing this Form 990, a full and complete copy was provided to the governing body by posting to the organizations internal Director portal Also before filing, the governing members received notification that Form 990 was posted and available for their review As necessary, the governing members have the opportunity to discuss and address concerns at subsequent board meetings Form 990, Part VI, Question 12c The organization's established Conflict of Interest Policies require annual disclosure of actual and potential conflicts of interest for officers, directors, trustees, members of Board committees, administrative and managerial employees as well as all employees of the Purchasing Department If circumstances change during the course of a year, interim disclosure is also required of the same individuals The disclosures of employees are reviewed initially by the Human Resources Department and any identified conflicts are referred to, and addressed by, the organization's internal legal counsel and/or compliance officer The disclosures of Trustees and members of Board committees are reviewed by the Chair of the Board The entire Board absent the subject Trustee or Committee member determines whether a conflict exists Trustees and/or Board committee members with identified conflicts are recused from voting on matters related to their conflicts The organization also maintains purchasing policies requiring counter signatures to further help minimize the risk associated with conflicts of interest Form 990, Part VI, Question 15a & b The Board of Directors of The Carle Foundation, through the Compensation Committee comprised of independent members free of conflict, annually review executive compensation levels and establish appropriate salary ranges and other features of the compensation plan in accordance with the organization's approved compensation philosophy and strategy 1 The Committee is comprised of members of the Board of Directors, who are independent of the Carle Foundation management, have no personal interest in the compensation arrangements, are not related to, or under the control of any individual whose compensation arrangement is being reviewed and have no material business relationship with The Carle Foundation 2 The Chief Executive Officer's compensation is determined by the Compensation Committee in relation to appropriate comparability data Compensation for other members of the executive staff are developed by the CEO, reviewed by the Committee, evaluated against market data, and approved by the Committee 3 The Committee approves all compensation decisions in advance of their implementation and documents its determinations and discussions The Compensation Committee uses a number of external resources and comparisons, and their review includes total compensation (cash compensation, plus benefits provided by The Carle Foundation) in relation to organizational performance and prevailing industry practices of comparably-sized organizations They have engaged the services of a compensation consulting firm specializing in the not-for-profit sector that has worked with The Carle Foundation and reports directly to the Compensation Committee Form 990, Part VI, Question 19 A Community Benefit Report is published and distributed annually to the community Quarterly financial statements are available via the internet at dacbond.com and also upon request delivered to the organization's administrative offices The organization's governing documents and conflict of interest policies are also available upon request to the organization's administrative offices Form 990, Part XI, #2a,b,c and Part IV, #12 The financial statements for The Carle Foundation were reviewed and audited on a consolidated basis under the parent organization, The Carle Foundation The Carle Foundation does have an audit committee consisting of members of the governing board and the Chief Financial Officer who together assume responsibility for oversight of the review and audit of its financial statements and selection of an independent accountant Form 990, Schedule L, Part IV, Column B Trustee, Thomas E Harrington, Jr has more than a 5% ownership in Bear Properties, LLC Chairman of the Board, E Phillips Knox is also a Director for First Busey Corp Trustee, Van Dukeman, is also a President/Officer of First Busey Corp Trustee, Thomas E Harrington, Jr's spouse is the CFO of First Busey Corp Trustee, Jan Hays' husband is a board member of First Busey Corp Form 990, Schedule L, Part IV, Column D Bear Properties - Warehouse rental through Coldwell Banker, Vine Street location for Bear Properties Busey Bank and First Busey Trust - Line of credit used from October, 2008 through April, 2009 SCHEDULE R, PART II CARLE HEALTH CARE, INCORPORATED PRIMARY ACTIVITY EMERGENCY TRANSPORT, DAY CARE, PHYSICIAN SERVICES</p>

**SCHEDULE R
(Form 990)**

Related Organizations and Unrelated Partnerships

OMB No 1545-0047

2008

Open to Public Inspection

▶ **Attach to Form 990. To be completed by organizations that answer "Yes" to Form 990, Part IV, lines 33, 34, 35, 36, or 37.**
▶ **See separate instructions.**

Department of the Treasury
Internal Revenue Service

Name of the organization
THE CARLE FOUNDATION

Employer identification number
37-0673465

Part I Identification of Disregarded Entities

(A) Name, address, and EIN of disregarded entity	(B) Primary activity	(C) Legal domicile (state or foreign country)	(D) Total income	(E) End-of-year assets	(F) Direct controlling entity
Carle Foundation Physician Services LLC 611 West Park Street Urbana, IL 618012595 20-0860864	Physician Svc	IL			CHC

Part II Identification of Related Tax-Exempt Organizations

(A) Name, address, and EIN of related organization	(B) Primary activity	(C) Legal domicile (state or foreign country)	(D) Exempt Code section	(E) Public charity status (if section 501(c)(3))	(F) Direct controlling entity
CARLE FOUNDATION HOSPITAL 611 W PARK ST URBANA, IL61801 37-1119538	HOSPITAL SERV	IL	501(C)(3)	3	N/A
CARLE ARBOURS INC 611 W PARK ST URBANA, IL61801 37-1155535	L/T CARE	IL	501(C)(3)	9	N/A
CARLE HEALTH CARE INCORPORATED 611 W PARK ST URBANA, IL61801 37-1140016	VAR SVCS	IL	501(C)(3)	9	N/A
CARLE RETIREMENT CENTERS INC 611 W PARK ST URBANA, IL61801 37-1160033	RTRMT LIVING	IL	501(C)(3)	9	N/A
CARLE DEVELOPMENT FOUNDATION 611 W PARK ST URBANA, IL61801 37-1159978	FUNDRAISING	IL	501(C)(3)	7	N/A
CARLE COMMUNITY HEALTH CORP 611 W PARK ST URBANA, IL61801 36-4458371	FDN MISSION	IL	501(C)(3)	11A TYPE I	TCDF

Part III Identification of Related Organizations Taxable as a Partnership

(A) Name, address, and EIN of related organization	(B) Primary activity	(C) Legal domicile (state or foreign country)	(D) Direct controlling entity	(E) Predominant income (related, investment, unrelated)	(F) Share of total income	(G) Share of end-of-year assets	(H) Disproportionate allocations?		(I) Code V—UBI amount on Box 20 of K-1	(J) General or managing partner?	
							Yes	No		Yes	No
Poolside Health & Wellness LCC 611 West Park Street Urbana, IL618012595 37-1408160	Therapy Services	IL	CFH								
Champaign Surgicenter LLC 20-1915925	SURGICAL CENTER	IL	Carle Health Ca								
Danville Joint Ventures LLC 37-1357323	Retiremt Ctr Adm	IL	N/A	Unrelated	117,720	1,112,791	No		0		No

Part IV Identification of Related Organizations Taxable as a Corporation or Trust

(A) Name, address, and EIN of related organization	(B) Primary activity	(C) Legal domicile (state or foreign country)	(D) Direct controlling entity	(E) Type of entity (C corp, S corp, or trust)	(F) Share of total income	(G) Share of end-of-year assets	(H) Percentage ownership
Health Systems Insurance LTD Governors Sq 2nd Fl Bldg 3 Grand Cayman KY1-1102 CJ	Insurance	CJ	NA	C-Corp	19,666,408	174,329,841	100 %

Part V Transactions with Related Organizations

Note. Complete line 1 if any entity is listed in Parts II, III or IV

1 During the tax year, did the organization engage in any of the following transactions with one or more related organizations listed in Parts II-IV?

- a** Receipt of **(i)** interest **(ii)** annuities **(iii)** royalties **(iv)** rent from a controlled entity
- b** Gift, grant, or capital contribution to other organization(s)
- c** Gift, grant, or capital contribution from other organization(s)
- d** Loans or loan guarantees to or for other organization(s)
- e** Loans or loan guarantees by other organization(s)

- f** Sale of assets to other organization(s)
- g** Purchase of assets from other organization(s)
- h** Exchange of assets
- i** Lease of facilities, equipment, or other assets to other organization(s)

- j** Lease of facilities, equipment, or other assets from other organization(s)
- k** Performance of services or membership or fundraising solicitations for other organization(s)
- l** Performance of services or membership or fundraising solicitations by other organization(s)
- m** Sharing of facilities, equipment, mailing lists, or other assets
- n** Sharing of paid employees

- o** Reimbursement paid to other organization for expenses
- p** Reimbursement paid by other organization for expenses

- q** Other transfer of cash or property to other organization(s)
- r** Other transfer of cash or property from other organization(s)

	Yes	No
1a	Yes	
1b	Yes	
1c	Yes	
1d		No
1e		No
1f		No
1g		No
1h		No
1i		No
1j		No
1k		No
1l		No
1m		No
1n		No
1o	Yes	
1p	Yes	
1q		No
1r		No

2 If the answer to any of the above is "Yes," see the instructions for information on who must complete this line, including covered relationships and transaction thresholds

	(A) Name of other organization(s)	(B) Transaction type(a-r)	(C) Amount Involved
(1)			
See Additional Data Table			
(2)			
(3)			
(4)			
(5)			
(6)			

Software ID:
Software Version:
EIN: 37-0673465
Name: THE CARLE FOUNDATION

Form 990, Schedule R, Part II - Identification of Related Tax-Exempt Organizations

(A) Name, address, and EIN of related organization	(B) Primary Activity	(C) Legal Domicile (State or Foreign Country)	(D) Exempt Code section	(E) Public charity status (if 501(c)(3))	(F) Direct Controlling Entity
CARLE FOUNDATION HOSPITAL 611 W PARK ST URBANA, IL61801 37-1119538	HOSPITAL SERV	IL	501(C)(3)	3	N/A
CARLE ARBOURS INC 611 W PARK ST URBANA, IL61801 37-1155535	L/T CARE	IL	501(C)(3)	9	N/A
CARLE HEALTH CARE INCORPORATED 611 W PARK ST URBANA, IL61801 37-1140016	VAR SVCS	IL	501(C)(3)	9	N/A
CARLE RETIREMENT CENTERS INC 611 W PARK ST URBANA, IL61801 37-1160033	RTRMT LIVING	IL	501(C)(3)	9	N/A
CARLE DEVELOPMENT FOUNDATION 611 W PARK ST URBANA, IL61801 37-1159978	FUNDRAISING	IL	501(C)(3)	7	N/A
CARLE COMMUNITY HEALTH CORP 611 W PARK ST URBANA, IL61801 36-4458371	FDN MISSION	IL	501(C)(3)	11A TYPE I	TCDF

Form 990, Schedule R, Part V - Transactions with Related Organizations

	(A) Name of other organization	(B) Transaction type(a-r)	(C) Amount Involved (\$)
(1)	Carle Foundation Hospital	a	27,182,262
(2)	Carle Healthcare Incorporated	a	1,258,312
(3)	Carle Foundation Hospital	b	1,596,384
(4)	Carle Healthcare Incorporated	b	60,000
(5)	Carle Development Foundation	c	456,002
(6)	Carle Foundation Hospital	o	1,093,497
(7)	Carle Development Foundation	p	270,000
(8)	Carle Foundation Hospital	p	1,278,000

TY 2008 Investment in Subsidiaries Statement**Name:** THE CARLE FOUNDATION**EIN:** 37-0673465

Description	Beginning Amount	Ending Amount
EQUITY SECURITIES	134,659,550	138,806,320
LONG-TERM REINSURANCE RECEIVABLE	15,777,544	17,286,122

TY 2008 Itemized Other Assets Schedule

Name: THE CARLE FOUNDATION

EIN: 37-0673465

Corporation Name	Corporation EIN	Other Assets Description	Beginning Amount	Ending Amount
		INTERCOMPANY RECEIVABLE	1,768,869	0

**TY 2008 Itemized Other Current Assets
Schedule**

Name: THE CARLE FOUNDATION

EIN: 37-0673465

Corporation Name	Corporation EIN	Other Current Assets Description	Beginning Amount	Ending Amount
		INTEREST RECEIVABLE	97	0
		MISCELLANEOUS PREPAID EXPENSES	3,197,684	3,102,728
		MISCELLANEOUS ACCRUALS	41,694	172,134

TY 2008 Other Deductions Schedule

Name: THE CARLE FOUNDATION

EIN: 37-0673465

Description	Foreign Amount (should only be used when attached to 5471 Schedule C Line 16)	Amount
LOSSES AND LOSS EXPENSES PAID		2,096,624
GENERAL AND ADMINISTRATIVE EXPENSES		338,465

TY 2008 Itemized Other Liabilities Schedule

Name: THE CARLE FOUNDATION

EIN: 37-0673465

Corporation Name	Corporation EIN	Other Liabilities Description	Beginning Amount	Ending Amount
		PREPAID PREMIUM	22,555,225	18,297,182
		LIABILITY FOR SELF-INSURANCE	90,545,769	81,803,172
		SHORT-TERM HSIL RESERVES	14,780,980	13,139,506
		INTERCOMPANY PAYABLE	0	822,868

Additional Data

Software ID:

Software Version:

EIN: 37-0673465

Name: THE CARLE FOUNDATION

Form 990, Schedule A, Part I, Line 11h - Provide the following information about the organizations the organization supports.

(i) Name of Supported Organization	(ii) EIN	(iii) Type of organization (described on lines 1 - 9 above or IRC section)	(iv) Is the organization in (i) listed in your governing document?		(v) Did you notify the organization in (i) of your support?		(vi) Is the organization in (i) organized in the U S ?		(vii) Amount of support?
			Yes	No	Yes	No	Yes	No	
Carle Foundation Hospital	371119538	03	Yes		Yes		Yes		31943199
Carle Development Foundation	371159978	07	Yes		Yes		Yes		0
Carle Arbours	371155535	09	Yes		Yes		Yes		0
Carle Health Care	371140016	09	Yes		Yes		Yes		60000
Carle Retirement Centers	371160033	09	Yes		Yes		Yes		0

Additional Data

Software ID:
Software Version:
EIN: 37-0673465
Name: THE CARLE FOUNDATION

Form 990, Part VII - Section Aaa

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual Trustee or Director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
E Phillips Knox , Chairman of Board	5 0	X		X				0	0	0
Martin Smith , Vice Chairman of Board	3 0	X		X				0	0	0
Cora E Musial PHD MD , Secretary of Board 2008/09	3 0	X		X				0	0	0
Malcolm C Hill MD , Secretary of Board 2007/08	2 0	X		X				0	0	0
Thomas E Harrington Jr , Immed Past Chair of Board	2 0	X						0	0	0
Philip Blankenburg , Trustee	2 0	X						0	0	0
Jane Hays , Trustee	1 0	X						0	0	0
J Michael Martin , Trustee	1 0	X						0	0	0
Mary F McGrath , Trustee	1 0	X						0	0	0
Rick Stephens , Trustee	1 0	X						0	0	0
Paul Tender MD , Trustee	1 0	X						0	0	0
Van Dukeman , Trustee	1 0	X						0	0	0
James C Leonard MD , President & CEO	40 0			X				771,263	0	197,363
John Snyder , Exec VP and COO	40 0			X				409,801	0	91,620
Robert Tonkinson Jr , Senior VP Finance and CFO	40 0			X				352,293	0	104,990
Philip Kubow , Senior VP Human Resource	40 0				X			277,244	0	54,625
Laurence J Fallon , Senior VP Legal Affairs	40 0					X		224,799	0	62,417
Napoleon Knight MD , VP Medical Affairs/CMO	40 0					X		384,594	0	58,522
William K Schuh , Chief Medical Info Officer	40 0					X		309,832	0	76,497
Pamela Bigler , VP Patient Care/CNO	40 0					X		233,394	0	68,062
Lynette Barnes , VP Clinical Operations	40 0					X		223,473	0	54,260