

"Public Disclosure Requirements"

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

Exempt Organization Business Income Tax Return (and proxy tax under section 6033(e))
For calendar year 2008 or other tax year beginning _____, 2008, and
ending _____, 20 . See separate instructions.

OMB No. 1545-0687
2008
Open to Public Inspection
for 501(c)(3) Organizations Only

<p>A <input type="checkbox"/> Check box if address changed</p> <p>B Exempt under section</p> <table style="width:100%;"> <tr> <td><input checked="" type="checkbox"/> 501(C)(3)</td> <td><input type="checkbox"/> 220(e)</td> </tr> <tr> <td><input type="checkbox"/> 408(e)</td> <td><input type="checkbox"/> 530(a)</td> </tr> <tr> <td><input type="checkbox"/> 408A</td> <td><input type="checkbox"/> 529(a)</td> </tr> </table> <p>C Book value of all assets at end of year</p> <p>1254496691.</p>	<input checked="" type="checkbox"/> 501(C)(3)	<input type="checkbox"/> 220(e)	<input type="checkbox"/> 408(e)	<input type="checkbox"/> 530(a)	<input type="checkbox"/> 408A	<input type="checkbox"/> 529(a)	Print or Type	<p>Name of organization (<input type="checkbox"/> Check box if name changed and see instructions.)</p> <p align="center">THE CLEVELAND FOUNDATION</p> <p>Number, street, and room or suite no. If a P.O. box, see page 9 of instructions.</p> <p align="center">1422 EUCLID AVENUE, SUITE 1300</p> <p>City or town, state, and ZIP code</p> <p align="center">CLEVELAND, OH 44115-2001</p>	<p>D Employer identification number (Employees' trust, see instructions for Block D on page 9.)</p> <p align="center">34-0714588</p> <p>E Unrelated business activity codes (See instructions for Block E on page 9.)</p> <p align="center">525990</p>
<input checked="" type="checkbox"/> 501(C)(3)	<input type="checkbox"/> 220(e)								
<input type="checkbox"/> 408(e)	<input type="checkbox"/> 530(a)								
<input type="checkbox"/> 408A	<input type="checkbox"/> 529(a)								
<p>F Group exemption number (See instructions for Block F on page 9.)</p> <p>1254496691.</p>		<p>G Check organization type</p> <table style="width:100%;"> <tr> <td><input type="checkbox"/> 501(c) corporation</td> <td><input checked="" type="checkbox"/> 501(c) trust</td> <td><input type="checkbox"/> 401(a) trust</td> <td><input type="checkbox"/> Other trust</td> </tr> </table>		<input type="checkbox"/> 501(c) corporation	<input checked="" type="checkbox"/> 501(c) trust	<input type="checkbox"/> 401(a) trust	<input type="checkbox"/> Other trust		
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H Describe the organization's primary unrelated business activity. SEE STATEMENT 1

I During the tax year, was the corporation a subsidiary in an affiliated group or a parent-subsidiary controlled group? Yes No
If "Yes," enter the name and identifying number of the parent corporation.

J The books are in care of Telephone number J. T. MULLEN 216-861-3810

Part I Unrelated Trade or Business Income	(A) Income	(B) Expenses	(C) Net
1 a Gross receipts or sales			
b Less returns and allowances c Balance	1 c		
2 Cost of goods sold (Schedule A, line 7)	2		
3 Gross profit. Subtract line 2 from line 1c	3		
4 a Capital gain net income (attach Schedule D)	4 a 2,934.		2,934.
b Net gain (loss) (Form 4797, Part II, line 17) (attach Form 4797)	4 b		
c Capital loss deduction for trusts	4 c		
5 Income (loss) from partnerships and S corporations (attach statement)	5 -124,410.	STMT 2	-124,410.
6 Rent income (Schedule C)	6		
7 Unrelated debt-financed income (Schedule E)	7		
8 Interest, annuities, royalties, and rents from controlled organizations (Schedule F)	8		
9 Investment income of a section 501(c)(7), (9), or (17) organization (Schedule G)	9		
10 Exploited exempt activity income (Schedule I)	10		
11 Advertising income (Schedule J)	11		
12 Other income (See page 11 of the instructions; attach schedule.)	12		
13 Total. Combine lines 3 through 12.	13 -121,476.		-121,476.

Part II Deductions Not Taken Elsewhere (See page 11 of the instructions for limitations on deductions.)
(Except for contributions, deductions must be directly connected with the unrelated business income.)

14 Compensation of officers, directors, and trustees (Schedule K)	14		
15 Salaries and wages	15		
16 Repairs and maintenance	16		
17 Bad debts	17		
18 Interest (attach schedule)	18		
19 Taxes and licenses	19		
20 Charitable contributions (See page 13 of the instructions for limitation rules.)	20		
21 Depreciation (attach Form 4562).	21	NONE	
22 Less depreciation claimed on Schedule A and elsewhere on return	22 a		22 b NONE
23 Depletion	23		
24 Contributions to deferred compensation plans	24		
25 Employee benefit programs	25		
26 Excess exempt expenses (Schedule I)	26		
27 Excess readership costs (Schedule J)	27		
28 Other deductions (attach schedule)	28		
29 Total deductions. Add lines 14 through 28	29		NONE
30 Unrelated business taxable income before net operating loss deduction. Subtract line 29 from line 13	30		-121,476.
31 Net operating loss deduction (limited to the amount on line 30)	31		
32 Unrelated business taxable income before specific deduction. Subtract line 31 from line 30	32		-121,476.
33 Specific deduction (Generally \$1,000, but see line 33 instructions for exceptions.)	33		1,000.
34 Unrelated business taxable income. Subtract line 33 from line 32. If line 33 is greater than line 32, enter the smaller of zero or line 32.	34		-121,476.

Part III Tax Computation

35 Organizations Taxable as Corporations. See instructions for tax computation on page 15. Controlled group members (sections 1561 and 1563) check here... 36 Trusts Taxable at Trust Rates. See instructions for tax computation on page 16. Income tax on the amount on line 34 from: [] Tax rate schedule or [X] Schedule D (Form 1041) ... 37 Proxy tax. See page 16 of the instructions ... 38 Alternative minimum tax ... 39 Total. Add lines 37 and 38 to line 35c or 36, whichever applies.

Part IV Tax and Payments

40 a Foreign tax credit (corporations attach Form 1118; trusts attach Form 1116) ... 41 Subtract line 40e from line 39 ... 42 Other taxes. Check if from: [] Form 4255 [] Form 8611 [] Form 8697 [] Form 8866 [] Other (attach schedule) ... 43 Total tax. Add lines 41 and 42 ... 44 a Payments: A 2007 overpayment credited to 2008 ... 45 Total payments. Add lines 44a through 44f ... 46 Estimated tax penalty (see page 4 of the instructions). Check if Form 2220 is attached ... 47 Tax due. If line 45 is less than the total of lines 43 and 46, enter amount owed ... 48 Overpayment. If line 45 is larger than the total of lines 43 and 46, enter amount overpaid ... 49 Enter the amount of line 48 you want: Credited to 2009 estimated tax 59,240. Refunded

Part V Statements Regarding Certain Activities and Other Information (see instructions on page 18)

1 At any time during the 2008 calendar year, did the organization have an interest in or a signature or other authority over a financial account (bank, securities, or other) in a foreign country? If YES, the organization may have to file Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts. If YES, enter the name of the foreign country here ... 2 During the tax year, did the organization receive a distribution from, or was it the grantor of, or transferor to, a foreign trust? ... 3 Enter the amount of tax-exempt interest received or accrued during the tax year \$

Schedule A - Cost of Goods Sold. Enter method of inventory valuation

1 Inventory at beginning of year 1 ... 2 Purchases 2 ... 3 Cost of labor 3 ... 4 a Additional section 263A costs (attach schedule) 4a ... b Other costs (attach schedule) 4b ... 5 Total. Add lines 1 through 4b 5 ... 6 Inventory at end of year 6 ... 7 Cost of goods sold. Subtract line 6 from line 5. Enter here and in Part I, line 2. 7 ... 8 Do the rules of section 263A (with respect to property produced or acquired for resale) apply to the organization? Yes No N/A

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 taxpayer) is based on all information of which preparer has any knowledge.

Sign Here [Signature] 11/12/09 SVP/CFO Date Title ... May the IRS discuss this return with the preparer shown below (see instructions)? Yes [] No [X] ... Paid Preparer's Use Only Preparer's signature [Signature] Date 11/09/09 Check if self-employed [] Preparer's SSN or PTIN P00395735 Firm's name (or yours if self-employed), address, and ZIP code ERNST & YOUNG U.S. LLP 5451 LAKEVIEW PKWY S. DR. INDIANAPOLIS, IN 46268 EIN 34-6565596 Phone no. 317/280-3400

INDIANAPOLIS, IN 46268

Schedule C - Rent Income (From Real Property and Personal Property Leased With Real Property)

(see instructions on page 19)

1 Description of property

Table with 4 rows for property description (1-4).

Table for Schedule C with columns for Rent received or accrued (a, b), Deductions (3a), and Total income (c).

Schedule E - Unrelated Debt-Financed Income (see instructions on page 19)

Table for Schedule E with columns for Description of debt-financed property, Gross income, Deductions (a, b), and Allocated deductions.

Schedule F - Interest, Annuities, Royalties, and Rents From Controlled Organizations (see instructions on page 20)

Table for Schedule F - Exempt Controlled Organizations with columns for Name of organization, Employer ID, Net unrelated income, Total of specified payments, Part of column 4, and Deductions.

Table for Schedule F - Nonexempt Controlled Organizations with columns for Taxable Income, Net unrelated income, Total of specified payments, Part of column 9, and Deductions.

Schedule G - Investment Income of a Section 501(c)(7), (9), or (17) Organization (see instructions on page 21)

Table with 5 columns: 1 Description of income, 2 Amount of income, 3 Deductions directly connected, 4 Set-asides, 5 Total deductions and set-asides. Includes rows (1)-(4) and a Totals row.

Schedule I - Exploited Exempt Activity Income, Other Than Advertising Income (see instructions on page 21)

Table with 7 columns: 1 Description of exploited activity, 2 Gross unrelated business income, 3 Expenses directly connected, 4 Net income, 5 Gross income, 6 Expenses attributable, 7 Excess exempt expenses. Includes rows (1)-(4) and a Totals row.

Schedule J - Advertising Income (see instructions on page 21)

Part I Income From Periodicals Reported on a Consolidated Basis

Table with 7 columns: 1 Name of periodical, 2 Gross advertising income, 3 Direct advertising costs, 4 Advertising gain or (loss), 5 Circulation income, 6 Readership costs, 7 Excess readership costs. Includes rows (1)-(4) and a Totals row.

Part II Income From Periodicals Reported on a Separate Basis (For each periodical listed in Part II, fill in columns 2 through 7 on a line-by-line basis.)

Table with 7 columns: 1 Name of periodical, 2 Gross advertising income, 3 Direct advertising costs, 4 Advertising gain or (loss), 5 Circulation income, 6 Readership costs, 7 Excess readership costs. Includes rows (1)-(4) and a Totals row.

Schedule K - Compensation of Officers, Directors, and Trustees (see instructions on page 22)

Table with 4 columns: 1 Name, 2 Title, 3 Percent of time devoted to business, 4 Compensation attributable to unrelated business. Includes a Total row.

ORGANIZATION'S PRIMARY UNRELATED BUSINESS ACTIVITY.

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FLOW THROUGH INCOME/LOSS FROM INVESTMENTS IN PARTNERSHIPS

THE CLEVELAND FOUNDATION

EIN: 34-0714588

Form 990T - 2008

FORM 990T - Lines 4 & 5 - INCOME (LOSS) FROM PARTNERSHIPS

Drawbridge Lng Dated Val Fd II B LP	(6,577)
Drawbridge Lng Dated Value III B LP	52,139
Fortress Credit Opportunities	(2,772)
Greenpark Intl Investors III SPV LP	(1,028)
HarbourVest IPEP IV - Partnership Fund	2,848
Highfields Capital IV	2,848
Knightsbridge Venture Capital VI	(43)
Och-Ziff Real Estate TE	(204,247)
PARADIGM Master Fund LP	(2,870)
PARADIGM Master Fund LP	(512)
Private Advisors Coinvestment Fund LP	507
Private Advisors Small Co Buyout III LP	42,280
Private Advisors Small Co Buyout II	(7,699)
Siguler Guff Distressed Opportunities II LP	(36)
Siguler Guff Distressed Opportunities LLC	7,459
TCW Energy Fund XIV-A	(455)
TIFF Partners III	(2,630)
TIFF Private Equity Partners 2006	(542)
Weathergage Venture Capital LP	(145)
	<hr/>
INCOME (LOSS) FROM PARTNERSHIPS	<u>(121,476)</u>
LESS: CAPITAL GAINS REPORTABLE ON LINE 4a	<u>2934</u>
INCOME (LOSS) REPORTABLE ON LINE 5	<u>(124,410)</u>

**SCHEDULE D
(Form 1041)**

Department of the Treasury
Internal Revenue Service

Capital Gains and Losses

▶ **Attach to Form 1041, Form 5227, or Form 990-T. See the separate instructions for Form 1041 (also for Form 5227 or Form 990-T, if applicable).**

OMB No. 1545-0092

2008

Name of estate or trust

Employer identification number

THE CLEVELAND FOUNDATION

34-0714588

Note: Form 5227 filers need to complete *only* Parts I and II.

Part I Short-Term Capital Gains and Losses - Assets Held One Year or Less

(a) Description of property (Example: 100 shares 7% preferred of "Z" Co.)	(b) Date acquired (mo., day, yr.)	(c) Date sold (mo., day, yr.)	(d) Sales price	(e) Cost or other basis (see page 4 of the instructions)	(f) Gain or (loss) for the entire year Subtract (e) from (d)
1a					

b Enter the short-term gain or (loss), if any, from Schedule D-1, line 1b	1b	
2 Short-term capital gain or (loss) from Forms 4684, 6252, 6781, and 8824	2	
3 Net short-term gain or (loss) from partnerships, S corporations, and other estates or trusts	3	
4 Short-term capital loss carryover. Enter the amount, if any, from line 9 of the 2007 Capital Loss Carryover Worksheet	4	()
5 Net short-term gain or (loss). Combine lines 1a through 4 in column (f). Enter here and on line 13, column (3) on the back ▶	5	

Part II Long-Term Capital Gains and Losses - Assets Held More Than One Year

(a) Description of property (Example: 100 shares 7% preferred of "Z" Co.)	(b) Date acquired (mo., day, yr.)	(c) Date sold (mo., day, yr.)	(d) Sales price	(e) Cost or other basis (see page 4 of the instructions)	(f) Gain or (loss) for the entire year Subtract (e) from (d)
6a					

b Enter the long-term gain or (loss), if any, from Schedule D-1, line 6b	6b	2,934.
7 Long-term capital gain or (loss) from Forms 2439, 4684, 6252, 6781, and 8824	7	
8 Net long-term gain or (loss) from partnerships, S corporations, and other estates or trusts	8	
9 Capital gain distributions	9	
10 Gain from Form 4797, Part I	10	
11 Long-term capital loss carryover. Enter the amount, if any, from line 14 of the 2007 Capital Loss Carryover Worksheet	11	()
12 Net long-term gain or (loss). Combine lines 6a through 11 in column (f). Enter here and on line 14a, column (3) on the back ▶	12	2,934.

For Paperwork Reduction Act Notice, see the Instructions for Form 1041.

Schedule D (Form 1041) 2008

Part III Summary of Parts I and II Caution: Read the instructions before completing this part.		(1) Beneficiaries' (see page 5)	(2) Estate's or trust's	(3) Total
13	Net short-term gain or (loss)	13		
14	Net long-term gain or (loss):			
a	Total for year	14a	2,934.	2,934.
b	Unrecaptured section 1250 gain (see line 18 of the wrksht.)	14b		
c	28% rate gain	14c		
15	Total net gain or (loss). Combine lines 13 and 14a ▶	15	2,934.	2,934.

Note: If line 15, column (3), is a net gain, enter the gain on Form 1041, line 4 (or Form 990-T, Part I, line 4a). If lines 14a and 15, column (2), are net gains, go to Part V, and do not complete Part IV. If line 15, column (3), is a net loss, complete Part IV and the **Capital Loss Carryover Worksheet**, as necessary.

Part IV Capital Loss Limitation

16	Enter here and enter as a (loss) on Form 1041, line 4 (or Form 990-T, Part I, line 4c, if a trust), the smaller of: a The loss on line 15, column (3) or b \$3,000	16	()
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Note: If the loss on line 15, column (3), is more than \$3,000, or if Form 1041, page 1, line 22 (or Form 990-T, line 34), is a loss, complete the **Capital Loss Carryover Worksheet** on page 7 of the instructions to figure your capital loss carryover.

Part V Tax Computation Using Maximum Capital Gains Rates

Form 1041 filers. Complete this part **only** if both lines 14a and 15 in column (2) are gains, or an amount is entered in Part I or Part II and there is an entry on Form 1041, line 2b(2), and Form 1041, line 22, is more than zero.

Caution: Skip this part and complete the worksheet on page 8 of the instructions if:

- Either line 14b, col. (2) or line 14c, col. (2) is more than zero, or
- Both Form 1041, line 2b(1), and Form 4952, line 4g are more than zero.

Form 990-T trusts. Complete this part **only** if both lines 14a and 15 are gains, or qualified dividends are included in income in Part I of Form 990-T, and Form 990-T, line 34, is more than zero. Skip this part and complete the worksheet on page 8 of the instructions if either line 14b, col. (2) or line 14c, col. (2) is more than zero.

17	Enter taxable income from Form 1041, line 22 (or Form 990-T, line 34)	17	-121,476.	
18	Enter the smaller of line 14a or 15 in column (2) but not less than zero	18	NONE	
19	Enter the estate's or trust's qualified dividends from Form 1041, line 2b(2) (or enter the qualified dividends included in income in Part I of Form 990-T)	19	NONE	
20	Add lines 18 and 19	20	NONE	
21	If the estate or trust is filing Form 4952, enter the amount from line 4g; otherwise, enter -0- ▶	21	NONE	
22	Subtract line 21 from line 20. If zero or less, enter -0-	22	NONE	
23	Subtract line 22 from line 17. If zero or less, enter -0-	23	NONE	
24	Enter the smaller of the amount on line 17 or \$2,200	24	NONE	
25	Is the amount on line 23 equal to or more than the amount on line 24? <input checked="" type="checkbox"/> Yes. Skip lines 25 and 26; go to line 27 and check the "No" box. <input type="checkbox"/> No. Enter the amount from line 23	25		
26	Subtract line 25 from line 24	26		
27	Are the amounts on lines 22 and 26 the same? <input type="checkbox"/> Yes. Skip lines 27 thru 30; go to line 31. <input type="checkbox"/> No. Enter the smaller of line 17 or line 22	27		
28	Enter the amount from line 26 (If line 26 is blank, enter -0-)	28	NONE	
29	Subtract line 28 from line 27	29	NONE	
30	Multiply line 29 by 15% (.15)	30		NONE
31	Figure the tax on the amount on line 23. Use the 2008 Tax Rate Schedule for Estates and Trusts (see the Schedule G instructions)	31		NONE
32	Add lines 30 and 31	32		NONE
33	Figure the tax on the amount on line 17. Use the 2008 Tax Rate Schedule for Estates and Trusts (see the Schedule G instructions)	33		NONE
34	Tax on all taxable income. Enter the smaller of line 32 or line 33 here and on line 1a of Schedule G, Form 1041 (or line 36 of Form 990-T)	34		NONE