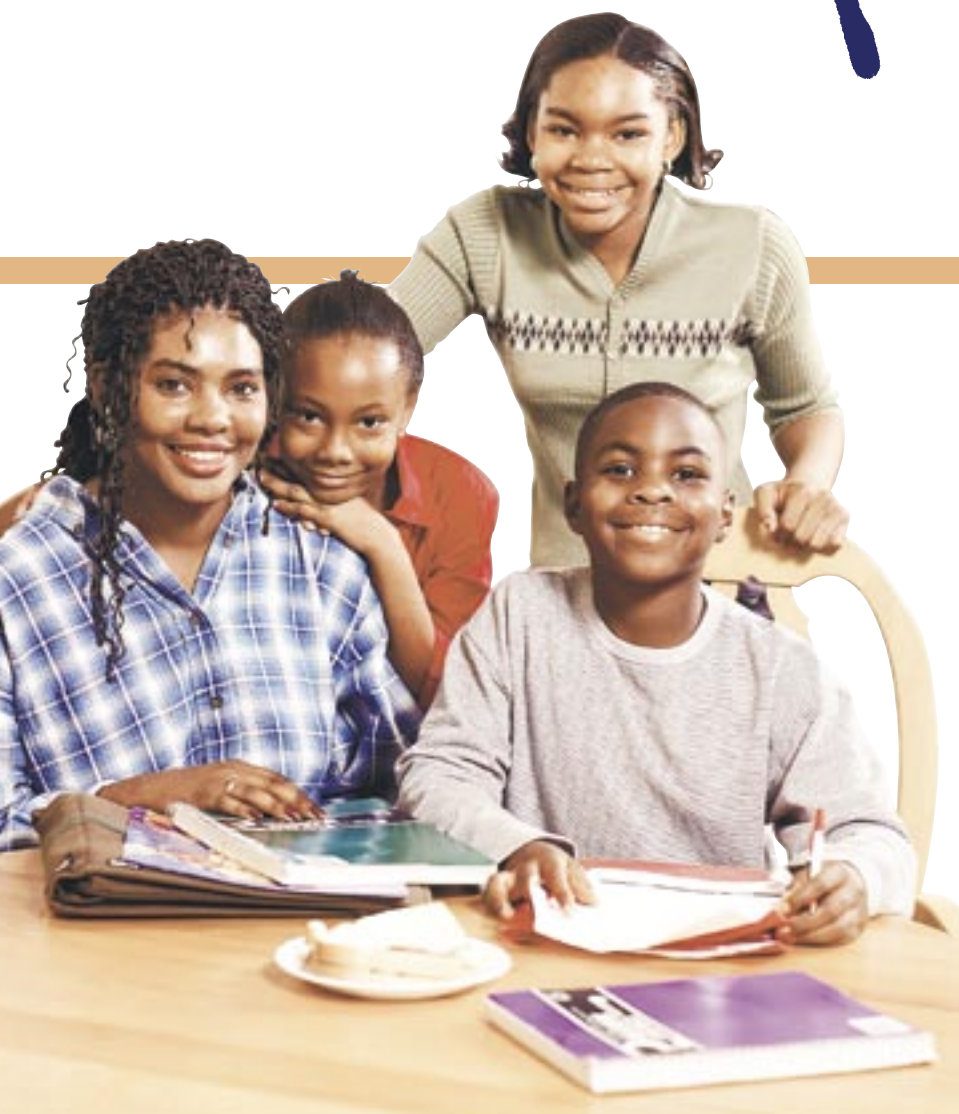




The Cleveland Foundation

a billion dreams

Since its creation 90 years ago, The Cleveland Foundation has awarded more than \$1 billion in grants. Each and every dollar expressed someone's hope of touching lives.



What is a city, if not the expression of the hopes and aspirations of its citizens? From Lorenzo Carter's humble log cabin at Settler's Landing to majestic Severance Hall, every building and organization in Greater Cleveland is the embodiment of a dream.

For more than nine decades, individuals and institutions with visions of a better Northeast Ohio have found a friend in The Cleveland Foundation, the country's first community foundation and the model for community foundations worldwide. They have turned to The Cleveland Foundation for seed money to act on new ideas, for leadership in a crisis, for sustained resources to redress urban woes. Through turbulent and tranquil times, the Foundation has been a steadfast partner, prepared to help anyone with a sound plan for enhancing the quality of life in Greater Cleveland.

The Cleveland Foundation is itself the realization of a dream, one man's hope of preventing the unfortunate situation of large amounts of capital being tied up in unbreakable bequests to out-moded charitable causes. The Foundation has more than lived up to its founding father's vision of a nimble yet enduring organization directed by knowledgeable citizens and dedicated to building community endowment, addressing community needs through grantmaking and providing leadership on key community issues.



Entrusted with thousands of gifts and hundreds of named funds, each representing the donor's hope of touching lives, the Foundation today has more than \$1.63 billion in assets, making it the country's second-largest community foundation. A volunteer board of directors, representing all segments of the community, and a nationally regarded professional staff oversee the state's largest grantmaking program and provide thoughtful and often courageous civic leadership.

In 2001 *The Chronicle of Philanthropy* cited the invention of The Cleveland Foundation as one of the 10 seminal events that shaped the nonprofit world in the 20th century. The role the original model has played in shaping the face of its own hometown impresses, as well. The revitalization of Playhouse Square. North Coast Harbor. The renewal of Hough through Lexington Village. Improved governance of Cleveland's public schools. Green buildings. Venture capital for economic redevelopment efforts and biotechnology incubators. The Cleveland Foundation has championed them all.

Last year The Cleveland Foundation quietly celebrated its 90th anniversary with the achievement of an historic milestone. Grants awarded since the Foundation's establishment surpassed the \$1 billion mark in 2004. One can hardly imagine what good works the next \$1 billion in grants will make possible. Which is precisely why every city needs a Cleveland Foundation – a trustworthy, catalytic and flexible community foundation.

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Advancing the City's Highest Aspirations

A LETTER FROM THE CHAIRMAN AND PRESIDENT:

To the residents of Greater Cleveland,

Reflecting on the accomplishments of its first 25 years, The Cleveland Foundation permitted itself a modest bow in 1935. "It is believed," noted the Foundation's annual report of that year, "that thoughtful people, when they examine The Cleveland Foundation plan, will find it wisely conceived, simple in operation and serviceable to donors and the community." Having not only survived World War I and the Depression, but having grown in size and stature, the Foundation felt confident in proclaiming that, "despite a changing world, the philanthropic motive...will long endure."

With the wisdom of another 70 years behind us, those words still ring true. Thousands have entrusted The Cleveland Foundation over the past nine decades to carry out their philanthropic dreams—a bond that has literally benefited every person in the region. As one looks around Greater Cleveland, the legacies of these charitable individuals are reflected in our community's many strengths and assets, from the rich diversity of our cultural institutions to the array of helping hands extended to our most vulnerable residents.

Like all major urban areas, Greater Cleveland faces numerous challenges. Few can be addressed with a single grant, or in the wink of an eye. To end persistent poverty, reform public education and reinvent our economy – to name some of Northeast Ohio's most pressing problems – will require clear vision, years of tireless effort and, of course, significant resources. Because Frederick Harris Goff set out 90 years ago to create an enduring but flexible philanthropic vehicle, you can be sure that The Cleveland Foundation will always be here working for the good of Greater Clevelanders.

To be an effective force for positive change, The Cleveland Foundation has chosen to work largely without fanfare. It is our innovative grantees and generous donors, past and present, who merit the spotlight. However, as the Foundation celebrates its 90th anniversary, it seemed an appropriate time to take stock. We are thankful to JPMorgan Chase Bank, FirstMerit Bank, Huntington National Bank, KeyBank and National City Bank, each a Foundation trustee, for their support of this publication, in which we provide what we hope are helpful insights into the Foundation's work. For more information about how TCF might be of service, please visit our Web site at www.clevelandfoundation.org.

We would like to take this opportunity to thank our board, staff and grantees for the work they do every day to ensure that The Cleveland Foundation remains strong, focused and faithful to its mission of enhancing the quality of life in Greater Cleveland. We encourage those who are philanthropically inclined to join us in this endeavor. As a donor to The Cleveland Foundation, you can help make our community the very best place in the nation to live, work and raise a family.

Respectfully,

Ronald B. Richard
President & CEO

John Sherwin Jr.
Chairman, Board of Directors

The Board of Directors



Ronald B. Richard, President and CEO

John Sherwin Jr., Board Chairman



John Sherwin Jr., Chairman



Jackie Woods, Vice Chairperson



Charles Bolton



Terri Hamilton Brown



Tana Carney



David Goldberg



Ric Harris



Joseph Keithley



Benson Lee



Alex Machaskee



Rev. Dr. Otis Moss



Sandra Pianalto



Maria Jose Pujana



Alayne Reitman



Frank Sullivan



The Dream Machine

HOW YOUR FOUNDATION WORKS: *Community foundations operate according to the principle of perpetuity, meaning that gifts made to The Cleveland Foundation will continue to grow and provide philanthropic resources forever.*

You've probably never heard of Katherine Bohm. The German-born laundress labored in obscurity all her life and died here prior to World War II. Yet she continues to touch all our lives through the stewardship of The Cleveland Foundation. Over a lifetime of hard work, Bohm accumulated \$6,500 in savings, every penny of which she decided to leave in the care of the Foundation.

Year after year, Bohm's gift has grown and appreciated and today it represents a sizeable amount. It must have given the laundress pleasure to imagine her life savings helping to meet Cleveland's most critical needs in perpetuity. Today, her legacy lives on, with grants being made in her name from the fund she created.

Katherine Bohm's story illuminates the special powers of a community foundation. An individual who desires to have a positive influence on Greater Cleveland can contribute any amount of money to The Cleveland Foundation. The Foundation then prudently invests such gifts and uses the income generated to make grants that

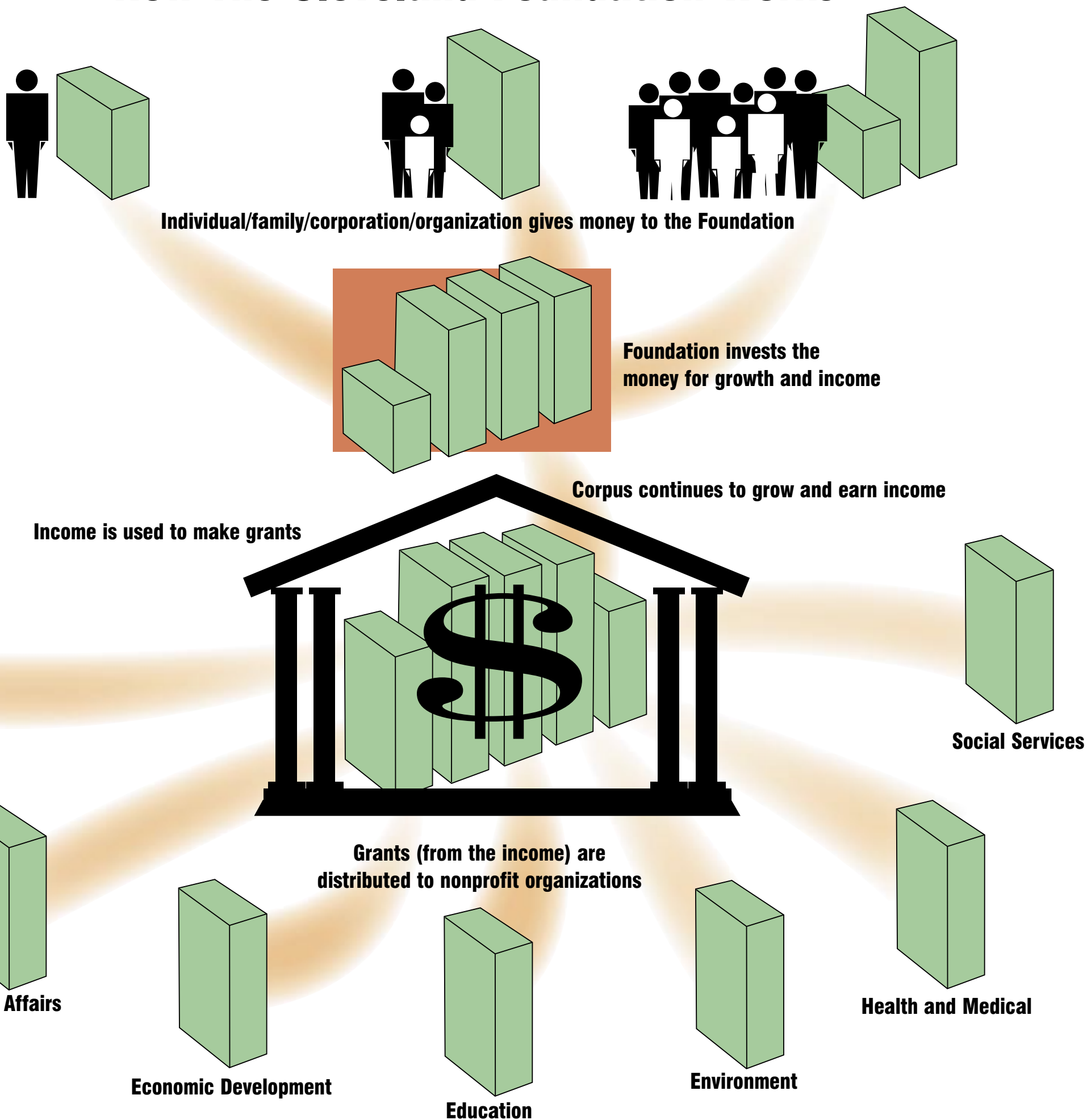
strengthen the community.

In addition, individuals, families, institutions or corporations can establish named funds with the Foundation, taking advantage of its prudent investment practices and ability to identify issues and organizations that match a living donor's charitable interests. At present The Cleveland Foundation is the steward of more than 800 named funds, large and small.

Educational, economic development, arts and cultural, social service and environmental institutions are the direct beneficiaries of The Cleveland Foundation's philanthropic resources, and Foundation grants enable not-for-profit organizations – from colleges and hospitals to museums and neighborhood centers – to better serve the residents of Cuyahoga, Lake and Geauga counties.

It's an ingenious construct. The more the community gives to The Cleveland Foundation, the more the endowment grows and the more The Cleveland Foundation can give back to the community, now and for generations to come.

How The Cleveland Foundation Works





Goff's Enduring Dream

THE CLEVELAND IDEA THAT GREW: *As the country's first community foundation, The Cleveland Foundation has continuously expanded the role philanthropy can play.*



Frederick Harris Goff, founder of The Cleveland Foundation

As Cleveland entered the 20th century, banker and attorney Frederick Harris Goff was nearing the end of his life. Goff naturally began to make plans for his estate. Having determined how to provide for his wife and children, he pondered the best way to make a lasting contribution to his adopted city.

Realizing that he did not have the power to foresee Cleveland's future needs, Goff had a revolutionary thought that would change the course of philanthropy in America. He conceived a permanently enduring philanthropic foundation created for the benefit of a community with gifts from the citizens of that community. A living "committee to distribute" would allocate the foundation's interest income in response to ever-changing community needs.

In 1914, The Cleveland Foundation was created. Over the next nine decades, The Cleveland Foundation wrote the playbook for Goff's instrument. While continuing to function as a responsive grant maker, the Foundation demonstrated that a community foundation could provide extraordinary leadership, when needed, by taking on the roles of program manager, educator, convener and strategic investor. The flexibility and potency of The Cleveland Foundation captured imaginations around the world, and today there are more than 700 community foundations in the United States and abroad.

1915

TCF commissions a series of fact-finding surveys that lead to reform of Cleveland's educational, social service, criminal justice and recreational systems and creation of the Metroparks.



1919

TCF appoints a five-member committee to distribute \$25,000 in accumulated income.

1931

Shipping executive Henry Couby leaves \$3 million to TCF. With this bequest, annual income skyrockets to \$250,000.

1937

TCF's director oversees efforts to build the country's first public housing projects on Cleveland's East Side, setting a precedent for the Foundation's future leadership of important civic assignments.



Circa 1940

The Cleveland Foundation supports the establishment of the Adoption Service Bureau — the first of its kind in the country.



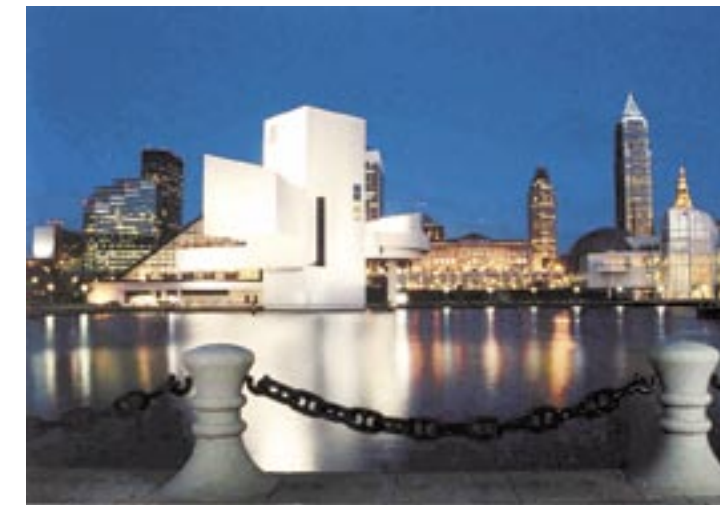
1980s

The Foundation helps create Community Development Corporations to conduct revitalization efforts throughout Cleveland neighborhoods.



1999

Together with the Cuyahoga County Board of County Commissioners, the Foundation launches the Early Childhood Initiative to provide enhanced services and improve the well-being of all children from birth through age three in the county.



Louise Anderson

2001

The board of directors is expanded to 15 members, giving TCF the benefit of a greater number of community perspectives.

1967

The Foundation awards grants directly to the mayoral administration of Carl B. Stokes. This break with philanthropic tradition ushers in a dynamic new era of public-private partnerships.



1973

The Foundation provides grants to save theaters in Playhouse Square from being demolished. Additional grants allowed for the restoration and renovation of the Playhouse Square complex and the creation of the Theater District.

1988

A Foundation-commissioned master redevelopment plan for the lakefront results in the creation of North Coast Harbor, including the Rock and Roll Hall of Fame and Great Lakes Science Center.

1987

The Foundation creates the Lake-Geauga Committee to support nonprofit causes in these two counties.

2002

The Foundation spearheads the development of the Fund for Our Economic Future, a collaborative of philanthropic funders addressing economic development issues.

1914

Frederick H. Goff establishes The Cleveland Foundation.

1927

The Foundation provides grants to help establish the Western Reserve Graduate School at Western Reserve University (now Case Western Reserve University).



1936

A study of public recreation facilities leads to the development of city parks, including Lincoln Park in Tremont.

1935

Health, education, social services and recreation remain the focus of grantmaking throughout the Depression and war years.

Circa 1950

Foundation grants help develop University Circle into a cultural haven with capital funding provided to the Cleveland Museum of Natural History and the Cleveland Institute of Art for buildings.



1964

The Foundation seeks to improve race relations in Cleveland and address inequality in the city's schools. A willingness to tackle even the most intractable urban problems becomes a Foundation hallmark.

1970

The Cleveland Foundation awards its first million-dollar grant to support the merger of Case Institute of Technology and Western Reserve University. With the newfound ability to make large-scale commitments, TCF becomes a more powerful agent of change.



1975

TCF designates cultural affairs as a formal program area. Increased investments in arts programming and facilities spark a cultural renaissance in Cleveland.

1980

The Foundation provides grants to build Lexington Village, the first market-rate rental property built in the Hough neighborhood in 50 years, leading to the revitalization of East Side inner-city neighborhoods.

1986

TCF formalizes its commitment to serving living donors by establishing donor advised funds.

1992

The Cleveland Foundation's Study Commission on Medical Research and Education helps develop biotechnology as an industry for Northeast Ohio and leads to the creation of the Center for Structural Biology at Case Western Reserve University.



2004

The Foundation achieves high watermark of \$1.63 billion in assets and awards a record-breaking \$86 million to community causes.

2002

The Foundation receives its largest gift from the estate of Frank and Nancy Porter to date, valued at \$60 to \$70 million.



The Cleveland Foundation



Grantmaking Milestones

A FOUNDATION FOR ALL TIMES AND NEEDS: *The Foundation's resources and leadership have fueled Cleveland's continued progress for nearly a century. Here are some of the many arenas in which the Foundation has made a major difference.*

1. The Greening of Greater Cleveland

The Cleveland Foundation's 1919 survey of the city's leisure offerings gave wings to the campaign to acquire land for the Cleveland Metroparks. Ever since then, the Foundation has consistently supported efforts to create significant new recreational assets, including Cleveland Lakefront State Park, North Coast Harbor and the Cuyahoga Valley National Park.

2. Backing University Circle

Capital grants helped the Cleveland Institute of Art and the Cleveland Museum of Natural History build modern headquarters in University Circle in the 1950s. These grants signaled the Foundation's conviction that University Circle should remain the city's institutional mecca in spite of the immense land-use challenges it faced.

3. Educational Innovation

Ohio legislation authorizing the creation of community colleges in the 1960s provided for public funding of their operation, but allocated no monies for pre-development activities. The Foundation stepped into the breach, underwriting planning for Cuyahoga Community College to meet the community's need for advanced vocational and technical education.

4. Desegregation Education Campaign

After the federal courts ruled in 1976 that Cleveland's public schools system must desegregate, the Foundation poured \$1 million into a massive educational campaign to prepare residents for court-ordered busing. This courageous undertaking helped to prevent the kind of violent street fighting that greeted school desegregation in Boston.

5. The Rebirth of Playhouse Square

In 1980 the Foundation made a lead grant to Playhouse Square's first major capital campaign, spurring an outpouring of other contributions to transform the abandoned Ohio, Palace and State theaters into the nation's second-largest arts and entertainment center. The Foundation simultaneously helped several premier performing arts organizations obtain resources to enhance their artistic offerings and relocate to Playhouse Square.

6. Sustained Neighborhood Redevelopment

The Cleveland Foundation pushed in the mid-1980s for the creation of Neighborhood Progress, Inc., an umbrella organization that has (with the Foundation's steadfast support) provided Cleveland's top community development organizations with operating monies, technical assistance and working capital needed to build new homes, rehab commercial spaces and improve neighborhood amenities. Supported neighborhoods include Ohio City, Tremont and Hough.

7. Boosting Biomedical Research

Two decades ago significant Foundation support enabled the School of Medicine at Case Western Reserve University to rebuild its basic science departments and the Cleveland Clinic to create a biomedical research institute. The region's concerted effort to become a national center of biotechnology transfer now draws upon these deepened pools of scientific understanding.

8. Helping Children Thrive

In response to research showing that the years from birth to age five are the most critical developmentally, the Foundation took the lead in garnering political and financial support for a comprehensive early childhood initiative that was launched in 1999. The "Invest in Children" program, which links families of all newborns to parenting education, quality day care and health insurance, as needed, is now an integral component of Cuyahoga County's social services system and has received nationwide recognition.

9. Improving Public Schools

The Cleveland Foundation was instrumental in making recommendations on the governance structure to improve the Cleveland Municipal School District (CMSD) in 1997. Since then, the Foundation has also been a lead funder to the CMSD, providing millions in grant dollars to expand teacher training and implement academic standards reform.

10. Fostering Economic Growth

To address the region's "quiet" economic crisis, the Foundation has committed \$10 million to The Fund for Our Economic Future, an unprecedented coalition of 60 area philanthropies that is seeding new enterprises with the potential to reinvigorate Northeast Ohio's economy.





Dream Teams

THE FOUNDATION AND PHILANTHROPISTS LIKE YOU: *The dreams are made possible by the generosity and forethought of people who care.*

People give to the Foundation for different reasons – to memorialize a loved one, to create a tradition of philanthropy, to simplify their giving, to ensure the future success of organizations they care about and more.

In addition to the reasons for giving, donors have just as many ways to give – some choose to be active in philanthropy during their lifetimes while others elect to leave a contribution in their will.

However they give and for whatever reasons, The Cleveland Foundation is a resource for philanthropic individuals – helping each of them achieve their own specific charitable goals.

Here are a few examples of how people have utilized the Foundation to fulfill their charitable wishes.

Donors have many reasons and many ways to give.



Edith Anisfield Wolf

Edith Anisfield Wolf was a Cleveland poet and philanthropist who was concerned about issues of social justice and what was then called race relations. The daughter of a successful businessman, Edith helped her father, John Anisfield, administer his charitable affairs after he retired. All the while, Edith was developing a strategy for her own philanthropy. In 1935, she established a fund at the Foundation to create the Anisfield-Wolf Book Awards, named after her father and husband. This award is the only American book award to solely recognize works addressing issues of racism and diversity, reflecting Edith's passion for social justice issues.

Sherwin Trust

In 1955, the Foundation received notice that Miss Belle Sherwin had created as part of her will a trust in honor of her parents, Frances M. and Henry A. Sherwin, who was the founder of Sherwin-Williams Co. At the time of Belle Sherwin's passing, the trust was valued at \$6.5 million, making it the second-largest gift the Foundation had ever received. Today, the Fund is valued at more than \$30 million and supports a variety of causes, from arts to education to social services. Because Miss Sherwin's gift was unrestricted, the Foundation uses its earnings to address the most pressing needs of the day, which can change over time.



Judge Lillian W. Burke

After an illustrious legal career, including 19 years on the bench in the Cleveland Municipal Court, more than 1,000 friends and colleagues held a retirement luncheon for Judge Lillian Burke. The money raised at that luncheon, along with a generous personal gift from Judge Burke, was used to establish the Judge Lillian W. Burke Scholarship Fund of The Cleveland Foundation. The Fund provides scholarships to assist minority students in their pursuit of a legal education.

Jim and Kathy Pender

Jim and Kathy Pender created The Michael Pender Memorial Foundation in 1998 to carry on the mission of their son, Michael James Pender, who died in 1991.

After sustaining injuries in an accident when he was nine, Michael made it his life's passion to help children with special needs. In 2002, the Penders converted their private foundation into a donor advised fund with The Cleveland Foundation. With this type of fund, the

Penders are still involved, recommending grants to organizations that are fulfilling Michael's mission, while also benefiting from the Foundation's management and administrative services.



A Partnership for a Strong Foundation

The Foundation's success lies in our partnerships with our trustee banks. We appreciate their support.



A bank invested in people.

