

**Exempt Organization Business Income Tax Return  
(and proxy tax under section 6033(e))**

**2013**

Open to Public Inspection for 501(c)(3) Organizations Only

Department of the Treasury  
Internal Revenue Service

For calendar year 2013 or other tax year beginning \_\_\_\_\_, 2013, and ending \_\_\_\_\_, 20\_\_\_\_  
▶ See separate instructions.

▶ Information about Form 990-T and its instructions is available at [www.irs.gov/form990t](http://www.irs.gov/form990t).  
▶ Do not enter SSN numbers on this form as it may be made public if your organization is a 501(c)(3).

<p><b>A</b> <input type="checkbox"/> Check box if address changed</p> <p><b>B</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><b>C</b> Book value of all assets at end of year 1813423102.</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>Name of organization ( <input type="checkbox"/> Check box if name changed and see instructions.)</p> <p style="text-align: center;">THE CLEVELAND FOUNDATION</p> <p>Number, street, and room or suite no. If a P.O. box, see instructions.</p> <p>1422 EUCLID AVENUE, SUITE 1300</p> <p>City or town, state or province, country, and ZIP or foreign postal code</p> <p>CLEVELAND, OH 44115-2001</p> <p><b>F</b> Group exemption number (See instructions.) ▶</p> <p><b>G</b> Check organization type ▶ <input checked="" type="checkbox"/> 501(c) corporation <input type="checkbox"/> 501(c) trust <input type="checkbox"/> 401(a) trust <input type="checkbox"/> Other trust</p>	<p><b>D</b> Employer identification number (Employees' trust, see instructions.)</p> <p>34-0714588</p> <p><b>E</b> Unrelated business activity codes (See instructions.)</p> <p>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)							

**H** Describe the organization's primary unrelated business activity. ▶ **ATTACHMENT 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 ▶ **KATE A. ASBECK** Telephone number ▶ **216-861-3810**

Part I Unrelated Trade or Business Income		(A) Income	(B) Expenses	(C) Net
1a	Gross receipts or sales			
b	Less returns and allowances			
	c Balance ▶	<b>1c</b>		
2	Cost of goods sold (Schedule A, line 7) . . . . .	<b>2</b>		
3	Gross profit. Subtract line 2 from line 1c . . . . .	<b>3</b>		
4a	Capital gain net income (attach Form 8949 and Schedule D)	<b>4a</b>		
b	Net gain (loss) (Form 4797, Part II, line 17) (attach Form 4797) . .	<b>4b</b>		
c	Capital loss deduction for trusts . . . . .	<b>4c</b>		
5	Income (loss) from partnerships and S corporations (attach statement)	<b>5</b>	1,059,286.	1,059,286.
6	Rent income (Schedule C) . . . . .	<b>6</b>	ATCH 2	
7	Unrelated debt-financed income (Schedule E) . . . . .	<b>7</b>		
8	Interest, annuities, royalties, and rents from controlled organizations (Schedule F)	<b>8</b>		
9	Investment income of a section 501(c)(7), (9), or (17) organization (Schedule G)	<b>9</b>		
10	Exploited exempt activity income (Schedule I) . . . . .	<b>10</b>		
11	Advertising income (Schedule J) . . . . .	<b>11</b>		
12	Other income (See instructions; attach schedule.) . . . . .	<b>12</b>		
13	<b>Total.</b> Combine lines 3 through 12 . . . . .	<b>13</b>	1,059,286.	1,059,286.

Part II Deductions Not Taken Elsewhere (See 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) . . . . .			
15	Salaries and wages . . . . .	<b>14</b>		
16	Repairs and maintenance . . . . .	<b>15</b>		
17	Bad debts . . . . .	<b>16</b>		
18	Interest (attach schedule) . . . . .	<b>17</b>		
19	Taxes and licenses . . . . .	<b>18</b>		
20	Charitable contributions (See instructions for limitation rules.) . . . . .	<b>19</b>		
21	Depreciation (attach Form 4562) . . . . .	<b>20</b>	105,929.	
22	Less depreciation claimed on Schedule A and elsewhere on return . . . . .	<b>21</b>		
23	Depletion . . . . .	<b>22a</b>		
24	Contributions to deferred compensation plans . . . . .	<b>22b</b>		
25	Employee benefit programs . . . . .	<b>23</b>		
26	Excess exempt expenses (Schedule I) . . . . .	<b>24</b>		
27	Excess readership costs (Schedule J) . . . . .	<b>25</b>		
28	Other deductions (attach schedule) . . . . .	<b>26</b>		
29	<b>Total deductions.</b> Add lines 14 through 28 . . . . .	<b>27</b>		
30	Unrelated business taxable income before net operating loss deduction. Subtract line 29 from line 13	<b>28</b>	105,929.	
31	Net operating loss deduction (limited to the amount on line 30) . . . . .	<b>29</b>	953,357.	
32	Unrelated business taxable income before specific deduction. Subtract line 31 from line 30 . . . . .	<b>30</b>	953,357.	
33	Specific deduction (Generally \$1,000, but see line 33 instructions for exceptions.) . . . . .	<b>31</b>	953,357.	
34	<b>Unrelated business taxable income.</b> Subtract line 33 from line 32. If line 33 is greater than line 32, enter the smaller of zero or line 32 . . . . .	<b>32</b>	1,000.	
		<b>33</b>	952,357.	
		<b>34</b>	952,357.	

OGDEN UT 84201-0038

In reply refer to: 0438084623  
July 28, 2014 LTR 333C 0  
34-0714588 201312 34  
00005746  
BODC: TE

CLEVELAND FOUNDATION  
HINES MEMORIAL FUND  
% SOCIETY NATIONAL BANK  
1422 EUCLID AVE  
CLEVELAND OH 44115-1902

117056

Taxpayer Identification Number: 34-0714588  
Tax Period(s): Dec. 31, 2013

Form: 990T

Dear Taxpayer:

Thank you for the inquiry of July 17, 2014.

We considered your request for an extension of time to file your Form 990T for the tax period Dec. 31, 2013.

We have approved your application and have extended the time to Nov. 15, 2014.

If you have any questions, please call us toll free at 1-877-829-5500.

If you prefer, you may write to us at the address shown at the top of the first page of this letter.

Whenever you write, please include this letter and, in the spaces below, give us your telephone number with the hours we can reach you. Keep a copy of this letter for your records.

Telephone Number ( ) \_\_\_\_\_ Hours \_\_\_\_\_

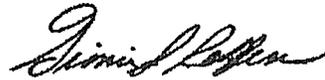
We apologize for any inconvenience we may have caused you.

0438084623  
July 28, 2014 LTR 333C 0  
34-0714588 201312 34  
00005747

CLEVELAND FOUNDATION  
HINES MEMORIAL FUND  
% SOCIETY NATIONAL BANK  
1422 EUCLID AVE  
CLEVELAND OH 44115-1902

Thank you for your cooperation.

Sincerely yours,



Ginni L. Redfern  
Program Manager, AM OPS 1

Enclosure(s):  
Copy of this letter

Part III Tax Computation

Table with 2 columns: Description and Amount. Rows include Organizations Taxable as Corporations (35), Trusts Taxable at Trust Rates (36), Proxy tax (37), Alternative minimum tax (38), and Total (39). Total amount is 323,801.

Part IV Tax and Payments

Table with 2 columns: Description and Amount. Rows include Foreign tax credit (40a-40e), Other taxes (42), Total tax (43), Payments (44a-44g), Estimated tax penalty (46), Tax due (47), Overpayment (48), and Credited to 2014 estimated tax (49). Total payments are 400,000.

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

Table with 3 columns: Question, Yes, No. Questions 1, 2, and 3 regarding foreign interest, distributions, and tax-exempt interest.

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

Table with 4 columns: Line number, Description, Amount, and Yes/No. Rows include Inventory at beginning/end of year, Purchases, Cost of labor, Additional section 263A costs, and Total.

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.

Sign Here: Signature of officer (Kate A. Boehm), Date (11-13-14), Title (Sr VP-UFO). Includes a box for IRS discussion consent.

Paid Preparer Use Only: Print/Type preparer's name (JENNIFER RHODERICK), Firm's name (ERNST & YOUNG U.S. LLP), Firm's address (111 MONUMENT CIRCLE, SUITE 4000 INDIANAPOLIS, IN 46204).

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

1. Description of property

Table with 1 column for description of property, rows (1) through (4).

2. Rent received or accrued

Table with 3 columns: (a) From personal property, (b) From real and personal property, and 3(a) Deductions directly connected with the income. Rows (1) through (4) and a Total row.

(c) Total income. Add totals of columns 2(a) and 2(b). Enter here and on page 1, Part I, line 6, column (A) . . . . .

(b) Total deductions. Enter here and on page 1, Part I, line 6, column (B) ▶

Schedule E - Unrelated Debt-Financed Income (see instructions)

Table with 4 columns: 1. Description of debt-financed property, 2. Gross income from or allocable to debt-financed property, 3(a) Straight line depreciation, 3(b) Other deductions. Rows (1) through (4).

Table with 5 columns: 4. Amount of average acquisition debt, 5. Average adjusted basis, 6. Column 4 divided by column 5, 7. Gross income reportable, 8. Allocable deductions. Rows (1) through (4).

Enter here and on page 1, Part I, line 7, column (A). Enter here and on page 1, Part I, line 7, column (B).

Totals . . . . . ▶

Total dividends-received deductions included in column 8 . . . . . ▶

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

Table with 6 columns: 1. Name of controlled organization, 2. Employer identification number, 3. Net unrelated income, 4. Total of specified payments made, 5. Part of column 4 that is included in the controlling organization's gross income, 6. Deductions directly connected with income. Rows (1) through (4).

Nonexempt Controlled Organizations

Table with 5 columns: 7. Taxable Income, 8. Net unrelated income, 9. Total of specified payments made, 10. Part of column 9 that is included in the controlling organization's gross income, 11. Deductions directly connected with income. Rows (1) through (4).

Add columns 5 and 10. Enter here and on page 1, Part I, line 8, column (A).

Add columns 6 and 11. Enter here and on page 1, Part I, line 8, column (B).

Totals . . . . . ▶

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

1. Description of income	2. Amount of income	3. Deductions directly connected (attach schedule)	4. Set-asides (attach schedule)	5. Total deductions and set-asides (col. 3 plus col. 4)
(1)				
(2)				
(3)				
(4)				
<b>Totals</b> . . . . .		Enter here and on page 1, Part I, line 9, column (A).		Enter here and on page 1, Part I, line 9, column (B).

**Schedule I - Exploited Exempt Activity Income, Other Than Advertising Income** (see instructions)

1. Description of exploited activity	2. Gross unrelated business income from trade or business	3. Expenses directly connected with production of unrelated business income	4. Net income (loss) from unrelated trade or business (column 2 minus column 3). If a gain, compute cols. 5 through 7.	5. Gross income from activity that is not unrelated business income	6. Expenses attributable to column 5	7. Excess exempt expenses (column 6 minus column 5, but not more than column 4).
(1)						
(2)						
(3)						
(4)						
<b>Totals</b> . . . . .		Enter here and on page 1, Part I, line 10, col. (A).	Enter here and on page 1, Part I, line 10, col. (B).			Enter here and on page 1, Part II, line 26.

**Schedule J - Advertising Income** (see instructions)

**Part I Income From Periodicals Reported on a Consolidated Basis**

1. Name of periodical	2. Gross advertising income	3. Direct advertising costs	4. Advertising gain or (loss) (col. 2 minus col. 3). If a gain, compute cols. 5 through 7.	5. Circulation income	6. Readership costs	7. Excess readership costs (column 6 minus column 5, but not more than column 4).
(1)						
(2)						
(3)						
(4)						
<b>Totals</b> (carry to Part II, line (5)) . . . . .						

**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.)

1. Name of periodical	2. Gross advertising income	3. Direct advertising costs	4. Advertising gain or (loss) (col. 2 minus col. 3). If a gain, compute cols. 5 through 7.	5. Circulation income	6. Readership costs	7. Excess readership costs (column 6 minus column 5, but not more than column 4).
(1)						
(2)						
(3)						
(4)						
<b>Totals from Part I</b>						
<b>Totals, Part II</b> (lines 1-5) . . . . .		Enter here and on page 1, Part I, line 11, col. (A).	Enter here and on page 1, Part I, line 11, col. (B).			Enter here and on page 1, Part II, line 27.

**Schedule K - Compensation of Officers, Directors, and Trustees** (see instructions)

1. Name	2. Title	3. Percent of time devoted to business	4. Compensation attributable to unrelated business
(1)		%	
(2)		%	
(3)		%	
(4)		%	
<b>Total.</b> Enter here and on page 1, Part II, line 14. . . . .			

ATTACHMENT 1

ORGANIZATION'S PRIMARY UNRELATED BUSINESS ACTIVITY.

FLOW THROUGH INCOME/LOSS FROM INVESTMENTS IN PARTNERSHIPS

ATTACHMENT 2FORM 990T - LINE 5 -INCOME (LOSS) FROM PARTNERSHIPS

CLEVELAND DEVELOPMENT PARTNERSHIP II	9,143.
DAVIDSON KEMPNER INSTITUTIONAL (KEY)	581.
DAVIDSON KEMPNER INSTITUTIONAL (TFC)	402.
DRAWBRIDGE LDVF II B LP	86,516.
EIG ENERGY FUND XV-A, LP	-115,517.
ENCAP ENERGY FUND IX LP	-77,751.
GREEN EQUITY PARTNERS	-4,618.
HARBOURVEST IPEP LV - PARTNERSHIP FUND	-4.
HIGHFIELDS CAPITAL IV (KEY)	-659.
HIGHFIELDS CAPITAL IV (TCF)	-1,213.
KENNEDY WILSON REAL ESTATE FUND IV, LP	95,506.
KNIGHTSBRIDGE VENTURE CAPITAL VI LP	32.
KW PROPERTY FUND III QP-A LP	148,236.
MWV PINNACLE CAPITAL FUND	-591.
NEO CAPITAL FUND	13,613.
OCH-ZIFF REAL ESTATE TE	913,414.
PARADIGM MASTER FUND LP (KINETIC PARTNERS US LLP)	-363.
PRIVATE ADVISORS COINVESTMENT FUND LP	-7,617.
PRIVATE ADVISORS INCOME FUND LP	26,277.
PRIVATE ADVISORS SMALL CO BUYOUT III LP	72,068.
PRIVATE ADVISORS SMALL CO BUYOUT IV LP	-47,647.
PRIVATE ADVISORS SMALL CO BUYOUT II	-7,304.
RMCF I ASSOCIATES	991.
SIGULER GUFF DISTRESSED OPPORTUNITIES III LP	4,177.
SIGULER GUFF DISTRESSED OPPORTUNITIES II LP	198.
STEPSTONE INTERNATIONAL INVESTORS III, L.P.	8,451.
TIFF PARTNERS III	-67,879.
TIFF PRIVATE EQUITY PARTNERS 2006	10,681.
TMW SYSTEMS HOLDINGS, LLC	-175.
WEATHERGAGE VENTURE CAPITAL LP	338.
INCOME (LOSS) FROM PARTNERSHIPS	<u>1,059,286.</u>

# Underpayment of Estimated Tax by Corporations

▶ Attach to the corporation's tax return.

▶ Information about Form 2220 and its separate instructions is at [www.irs.gov/form2220](http://www.irs.gov/form2220).

**2013**

Name **THE CLEVELAND FOUNDATION**

Employer identification number  
**34-0714588**

**Note:** Generally, the corporation is not required to file Form 2220 (see Part II below for exceptions) because the IRS will figure any penalty owed and bill the corporation. However, the corporation may still use Form 2220 to figure the penalty. If so, enter the amount from page 2, line 38 on the estimated tax penalty line of the corporation's income tax return, but do not attach Form 2220.

**Part I Required Annual Payment**

1	Total tax (see instructions) . . . . .	1	323,801.
2a	Personal holding company tax (Schedule PH (Form 1120), line 26) included on line 1 . . . . .	2a	
b	Look-back interest included on line 1 under section 460(b)(2) for completed long-term contracts or section 167(g) for depreciation under the income forecast method . . . . .	2b	
c	Credit for federal tax paid on fuels (see instructions) . . . . .	2c	
d	<b>Total.</b> Add lines 2a through 2c . . . . .	2d	
3	Subtract line 2d from line 1. If the result is less than \$500, do not complete or file this form. The corporation does not owe the penalty . . . . .	3	323,801.
4	Enter the tax shown on the corporation's 2012 income tax return (see instructions). <b>Caution: If the tax is zero or the tax year was for less than 12 months, skip this line and enter the amount from line 3 on line 5 . . . . .</b>	4	363,307.
5	<b>Required annual payment.</b> Enter the smaller of line 3 or line 4. If the corporation is required to skip line 4, enter the amount from line 3 . . . . .	5	323,801.

**Part II Reasons for Filing - Check the boxes below that apply. If any boxes are checked, the corporation must file Form 2220 even if it does not owe a penalty (see instructions).**

6	<input type="checkbox"/> The corporation is using the adjusted seasonal installment method.
7	<input type="checkbox"/> The corporation is using the annualized income installment method.
8	<input checked="" type="checkbox"/> The corporation is a "large corporation" figuring its first required installment based on the prior year's tax.

**Part III Figuring the Underpayment**

	(a)	(b)	(c)	(d)
9	04/15/2013	06/17/2013	09/16/2013	12/16/2013
10	80,950.	80,950.	80,950.	80,950.
11				
12				
13				
14		80,950.	161,900.	242,850.
15				
16		80,950.	161,900.	
17	80,950.	80,950.	80,950.	80,950.
18				

**Go to Part IV on page 2 to figure the penalty. Do not go to Part IV if there are no entries on line 17 - no penalty is owed.**

For Paperwork Reduction Act Notice, see separate instructions.

**Part IV Figuring the Penalty**

	(a)	(b)	(c)	(d)
19 Enter the date of payment or the 15th day of the 3rd month after the close of the tax year, whichever is earlier (see instructions). (Form 990-PF and Form 990-T filers: Use 5th month instead of 3rd month.) . . . . .	19			
20 Number of days from due date of installment on line 9 to the date shown on line 19. . . . .	20			
21 Number of days on line 20 after 4/15/2013 and before 7/1/2013	21			
22 Underpayment on line 17 x $\frac{\text{Number of days on line 21}}{365} \times 3\%$	22	\$	\$	\$
23 Number of days on line 20 after 6/30/2013 and before 10/1/2013	23	ATTACHMENT 1		
24 Underpayment on line 17 x $\frac{\text{Number of days on line 23}}{365} \times 3\%$	24	\$	\$	\$
25 Number of days on line 20 after 9/30/2013 and before 1/1/2014	25	SEE PENALTY COMPUTATION WHITEPAPER DETAIL		
26 Underpayment on line 17 x $\frac{\text{Number of days on line 25}}{365} \times 3\%$	26	\$	\$	\$
27 Number of days on line 20 after 12/31/2013 and before 4/1/2014	27			
28 Underpayment on line 17 x $\frac{\text{Number of days on line 27}}{365} \times 3\%$	28	\$	\$	\$
29 Number of days on line 20 after 3/31/2014 and before 7/1/2014	29			
30 Underpayment on line 17 x $\frac{\text{Number of days on line 29}}{365} \times 3\%$	30	\$	\$	\$
31 Number of days on line 20 after 6/30/2014 and before 10/1/2014	31			
32 Underpayment on line 17 x $\frac{\text{Number of days on line 31}}{365} \times 3\%$	32	\$	\$	\$
33 Number of days on line 20 after 9/30/2014 and before 1/1/2015	33			
34 Underpayment on line 17 x $\frac{\text{Number of days on line 33}}{365} \times 3\%$	34	\$	\$	\$
35 Number of days on line 20 after 12/31/2014 and before 2/16/2015	35			
36 Underpayment on line 17 x $\frac{\text{Number of days on line 35}}{365} \times 3\%$	36	\$	\$	\$
37 Add lines 22, 24, 26, 28, 30, 32, 34, and 36 . . . . .	37	\$	\$	\$
38 <b>Penalty.</b> Add columns (a) through (d) of line 37. Enter the total here and on Form 1120, line 33; or the comparable line for other income tax returns . . . . .	38	\$		\$ 7,438.

\*Use the penalty interest rate for each calendar quarter, which the IRS will determine during the first month in the preceding quarter. These rates are published quarterly in an IRS News Release and in a revenue ruling in the Internal Revenue Bulletin. To obtain this information on the Internet, access the IRS website at [www.irs.gov](http://www.irs.gov). You can also call 1-800-829-4933 to get interest rate information.

ATTACHMENT 1PENALTY COMPUTATION DETAIL - FORM 2220

<u>DATE PD</u>	<u>UNDERPAYMENT</u>	<u>BEG. DATE</u>	<u>END DATE</u>	<u>DAYS</u>	<u>%</u>	<u>PENALTY</u>
<u>QUARTER 1, RATE PERIOD 1 (04/15/2013 - 05/15/2014)</u>						
	80,950.	04/15/2013	05/15/2014	395	3	<u>2,628.</u>
	TOTAL TO FORM 2220, LINE 22, COLUMN A					<u>2,628.</u>
<u>QUARTER 2, RATE PERIOD 1 (06/17/2013 - 05/15/2014)</u>						
	80,950.	06/17/2013	05/15/2014	332	3	<u>2,209.</u>
	TOTAL TO FORM 2220, LINE 22, COLUMN B					<u>2,209.</u>
<u>QUARTER 3, RATE PERIOD 1 (09/16/2013 - 05/15/2014)</u>						
	80,950.	09/16/2013	05/15/2014	241	3	<u>1,603.</u>
	TOTAL TO FORM 2220, LINE 22, COLUMN C					<u>1,603.</u>
<u>QUARTER 4, RATE PERIOD 1 (12/16/2013 - 05/15/2014)</u>						
	80,950.	12/16/2013	05/15/2014	150	3	<u>998.</u>
	TOTAL TO FORM 2220, LINE 22, COLUMN D					<u>998.</u>
TOTAL UNDERPAYMENT PENALTY						<u>7,438.</u>