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Form **990-T**

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

OMB No. 1545-0047

**2007**

Department of the Treasury  
Internal Revenue Service (77)

For calendar year 2007 or other tax year beginning \_\_\_\_\_, and ending \_\_\_\_\_

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

**A**  Check box if address changed

**B** Exempt under section  
 501(c)(3)  408(e)  220(e)  
 408A  530(a)  
 529(a)

**C** Book value of all assets at end of year  
1,964,520.598

**D** Employer identification number (Employees' trust, see instructions for Block D on page 9)  
95-4686318

**E** Unrelated business activity codes (See instructions for Block E on page 9.)  
900000

Name of organization ( Check box if name changed and see instructions.)  
**THE ELI AND EDYTHE BROAD FOUNDATION.  
AKA THE BROAD FOUNDATION**

Number, street, and room or suite no. If a P.O. box, see page 9 of instructions.  
**10900 WILSHIRE BLVD., 12TH FLOOR**

City or town, state, and ZIP code  
**LOS ANGELES, CA 90024-6532**

**F** Group exemption number (see instructions for Block F.)

**G** Check organization type  501(c) corporation  501(c) trust  401(a) trust  Other trust

**H** Describe the organization's primary unrelated business activity. **PASS THROUGH OF DEBT FINANCED INVEST. INC.**

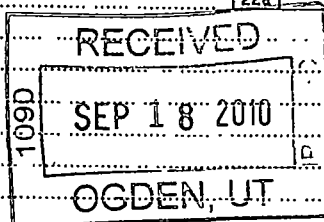
**I** During the tax year, was the corporation a subsidiary in an affiliated group or a parent-subsidiary controlled group?  Yes  No  
If "Yes," enter the name and identifying number of the parent corporation.

**J** The books are in care of **CINDY S. QUANE** Telephone number **(310) 954-5025**

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			
2	Cost of goods sold (Schedule A, line 7)			
3	Gross profit. Subtract line 2 from line 1c			
4a	Capital gain net income (attach Schedule D)			
b	Net gain (loss) (Form 4797, Part II, line 17) (attach Form 4797)			
c	Capital loss deduction for trusts			
5	Income (loss) from partnerships and S corporations (attach statement)	4,999,145.	STMT 17	4,999,145.
6	Rent income (Schedule C)			
7	Unrelated debt-financed income (Schedule E)			
8	Interest, annuities, royalties, and rents from controlled organizations (Sch. F)			
9	Investment income of a section 501(c)(7), (9), or (17) organization (Schedule G)			
10	Exploited exempt activity income (Schedule I)			
11	Advertising income (Schedule J)			
12	Other income (See instructions; attach schedule.)			
13	Total. Combine lines 3 through 12	4,999,145.		4,999,145.

**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)	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 instructions for limitation rules.)	20	
21	Depreciation (attach Form 4562)	21	
22	Less depreciation claimed on Schedule A and elsewhere on return	22a	22b
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	0.
30	Unrelated business taxable income before net operating loss deduction. Subtract line 29 from line 13	30	4,999,145.
31	Net operating loss deduction (limited to the amount on line 30)	31	3,129,405.
32	Unrelated business taxable income before specific deduction. Subtract line 31 from line 30	32	1,869,740.
33	Specific deduction (Generally \$1,000, but see 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	1,868,740.



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THE ELI AND EDYTHE BROAD FOUNDATION  
AKA THE BROAD FOUNDATION

95-4686318

Net Operating Loss Carryover

Loss Year Ending	Initial Loss	Loss Previously Used	Loss Available
12/31/2002	327,780	205,643	122,137
12/31/2004	512,694		512,694
12/31/2005	143,322		143,322
12/31/2006	2,351,252		2,351,252
	<u>3,335,048</u>	205,643	<u>3,129,405</u>

FORM 990-T

INCOME (LOSS) FROM PARTNERSHIPS

STATEMENT 17

DESCRIPTION	AMOUNT
ES YES SPECIAL PARTNERSHIP	112,785.
COLONY INVESTORS VI	3,815,928.
SPO PARTNERS	826,202.
COLONY INVESTORS VII	959,043.
AIRLINE CREDIT OPPORTUNITIES	-15,623.
ABRAMS CAPITAL	1,586.
EPG BLUEGRASS	-36,625.
MAKENA CAPITAL	-68,079.
VAUD CAPITAL	-1,085,813.
AMBERBROOK	47,440.
AVENUE SPECIAL SITUATIONS III	1,517.
WAGEVIEW	229.
DORCHESTER PARTNERS	440,555.
TOTAL TO FORM 990-T, PAGE 1, LINE 5	4,999,145.

✓

**Part III Tax Computation**

35 Organizations Taxable as Corporations. See instructions for tax computation. Controlled group members (sections 1561 and 1563) check here <input type="checkbox"/> See instructions and: a Enter your share of the \$50,000, \$25,000, and \$9,925,000 taxable income brackets (in that order): (1) \$ _____ (2) \$ _____ (3) \$ _____ b Enter organization's share of: (1) Additional 5% tax (not more than \$11,750) \$ _____ (2) Additional 3% tax (not more than \$100,000) \$ _____ c Income tax on the amount on line 34	35c	
36 Trusts Taxable at Trust Rates. See instructions for tax computation. Income tax on the amount on line 34 from: <input checked="" type="checkbox"/> Tax rate schedule or <input type="checkbox"/> Schedule D (Form 1041)	36	653,103.
37 Proxy tax. See instructions	37	
38 Alternative minimum tax	38	
39 Total. Add lines 37 and 38 to line 35c or 36, whichever applies	39	653,103.

**Part IV Tax and Payments**

40a Foreign tax credit (corporations attach Form 1118; trusts attach Form 1116)	40a	
b Other credits (see instructions)	40b	
c General business credit. Check here and indicate which forms are attached: <input type="checkbox"/> Form 3800 <input type="checkbox"/> Form(s) (specify) _____	40c	
d Credit for prior year minimum tax (attach Form 8801 or 8827)	40d	
e Total credits. Add lines 40a through 40d	40e	
41 Subtract line 40e from line 39	41	653,103.
42 Other taxes. Check if from: <input type="checkbox"/> Form 4255 <input type="checkbox"/> Form 8611 <input type="checkbox"/> Form 8697 <input type="checkbox"/> Form 8866 <input type="checkbox"/> Other (attach schedule)	42	
43 Total tax. Add lines 41 and 42	43	653,103.
44a Payments: A 2006 overpayment credited to 2007	44a	
b 2007 estimated tax payments	44b	
c Tax deposited with Form 8868	44c	650,000.
d Foreign organizations: Tax paid or withheld at source (see instructions)	44d	
e Backup withholding (see instructions)	44e	
f Other credits and payments: <input type="checkbox"/> Form 4136 <input type="checkbox"/> Form 2439 <input type="checkbox"/> Other _____ Total	44f	
45 Total payments. Add lines 44a through 44f	45	650,000.
46 Estimated tax penalty (see instructions). Check if Form 2220 is attached <input checked="" type="checkbox"/>	46	17,068.
47 Tax due. If line 45 is less than the total of lines 43 and 46, enter amount owed	47	20,171.
48 Overpayment. If line 45 is larger than the total of lines 43 and 46, enter amount overpaid	48	
49 Enter the amount of line 48 you want: Credited to 2008 estimated tax <input type="checkbox"/> Refunded <input type="checkbox"/>	49	

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

1 At any time during the 2007 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. If YES, enter the name of the foreign country here	Yes	No
2 During the tax year, did the organization receive a distribution from, or was it the grantor of, or transferor to, a foreign trust? If YES, see page 5 of the instructions for other forms the organization may have to file.		X
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  N/A

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

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]* Date: 11/6/08 Title: TRUSTEE

Preparer's signature: *[Signature]* Date: 11/4/08 Check if self-employed  Preparer's SSN or PTIN: \_\_\_\_\_

Firm's name (or yours if self-employed), address, and ZIP code: FAMILY OFFICE FINANCIAL SERVICES LLC, 10900 WILSHIRE BLVD, 12TH FL., LOS ANGELES, CA 90024

EIN: 95-4825872 Phone no. (310) 954-5030

THE ELI AND EDYTHE BROAD FOUNDATION

Form 990-T (2007)

AKA THE BROAD FOUNDATION

95-4686318

Page 3

Schedule C - Rent Income (From Real Property and Personal Property Leased With Real Property) (see instr. on pg 20)

1 Description of property

2 Rent received or accrued		3 Deductions directly connected with the income in columns 2(a) and 2(b) (attach schedule)
(a) From personal property (if the percentage of rent for personal property is more than 10% but not more than 50%)	(b) From real and personal property (if the percentage of rent for personal property exceeds 50% or if the rent is based on profit or income)	
(1)		
(2)		
(3)		
(4)		
Total	0.	Total 0.
Total income. Add totals of columns 2(a) and 2(b). Enter here and on page 1, Part I, line 6, column (A) 0.		Total deductions. Enter here and on page 1, Part I, line 6, column (E) 0.

Schedule E - Unrelated Debt-Financed Income (See instructions on page 20)

1 Description of debt-financed property	2 Gross income from or allocable to debt-financed property	3 Deductions directly connected with or allocable to debt-financed property		7 Gross income reportable (column 2 x column 6)	8 Allocable deductions (column 6 x total of columns 3(a) and 3(b))
		(a) Straight line depreciation (attach schedule)	(b) Other deductions (attach schedule)		
(1)					
(2)					
(3)					
(4)					
4 Amount of average acquisition debt on or allocable to debt-financed property (attach schedule)	5 Average adjusted basis of or allocable to debt-financed property (attach schedule)	6 Column 4 divided by column 5			
(1)		%			
(2)		%			
(3)		%			
(4)		%			
Totals			Enter here and on page 1, Part I, line 7, column (A) 0.	Enter here and on page 1, Part I, line 7, column (B) 0.	0.
Total dividends-received deductions included in column 8					0.

Schedule F - Interest, Annuities, Royalties, and Rents From Controlled Organizations (See instructions on page 21)

1 Name of Controlled Organization	2 Employer Identification Number	Exempt Controlled Organizations			
		3 Net unrelated income (loss) (see instructions)	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 in column (5)
(1)					
(2)					
(3)					
(4)					
Nonexempt Controlled Organizations					
7 Taxable income	8 Net unrelated income (loss) (see instructions)	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 in column 10	
(1)					
(2)					
(3)					
(4)					
Totals			Add columns 5 and 10. Enter here and on page 1, Part I, line 8, column (A) 0.	Add columns 8 and 11. Enter here and on page 1, Part I, line 8, column (B) 0.	

The Eli and Edythe Broad Foundation  
2007 Form 990T  
STATEMENT A

95-4686318

In 2006, The Eli and Edythe L. Broad Foundation received a favorable letter ruling from the IRS allowing them to transfer all assets to The Eli and Edythe Broad Foundation (TBF), 95-4686318 (formerly The Broad Foundation), a California charitable trust which is recognized as exempt from federal income tax under section 501 (c)(3) and is further classified as a private foundation under section 509(a). As ruled, the transfer of assets will not affect the exempt, private foundation status of The Eli and Edythe L. Broad Foundation, nor will it constitute a termination. For further details on the ruling, please see attached.

The transfer of assets from The Eli and Edythe L. Broad Foundation began in 2006 and was substantially complete on January 1, 2007. No income or expense is attributed to The Eli and Edythe L. Broad Foundation for 2007; all income and expenses are reported on the 2007 Form 990PF for The Eli and Edythe Broad Foundation. All carryovers, including net operating loss carryovers, for The Eli and Edythe L. Broad Foundation have been transferred to The Eli and Edythe Broad Foundation.

**THE ELI AND EDYTHE BROAD FOUNDATION**  
**AKA THE BROAD FOUNDATION**

**Schedule G - Investment Income of a Section 501(c)(7), (9), or (17) Organization**  
 (see instructions on page 22)

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>	0.			0.

**Schedule I - Exploited Exempt Activity Income, Other Than Advertising Income**  
 (see instructions on page 22)

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>	0.	0.				0.

**Schedule J - Advertising Income** (see instructions on page 22)

**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 (carry to Part II, line (5))</b>	0.	0.				0.

**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)						
(2)						
(3)						
(4)						
(5) Totals from Part I	0.	0.				0.
<b>Totals, Part II (lines 1-5)</b>	0.	0.				0.

**Schedule K - Compensation of Officers, Directors, and Trustees** (see instructions on page 23)

1 Name	2 Title	3 Percent of time devoted to business	4 Compensation attributable to unrelated business
		%	
		%	
		%	
		%	
<b>Total. Enter here and on page 1, Part II, line 14</b>			0.