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Form **990-PF**

Return of Private Foundation or Section 4947(a)(1) Nonexempt Charitable Trust Treated as a Private Foundation

OMB No 1545-0052

2009Department of the Treasury
Internal Revenue Service

Note The foundation may be able to use a copy of this return to satisfy state reporting requirements

For calendar year 2009, or tax year beginning **05/01/09**, and ending **04/30/10**

G Check all that apply ☐ Initial return ☐ Initial return of a former public charity ☐ Final return
☐ Amended return ☐ Address change ☐ Name change

Use the IRS label. Otherwise, print or type. See Specific Instructions.	Name of foundation THE ELF FOUNDATION		A Employer identification number 84-1548560
	Number and street (or P O box number if mail is not delivered to street address) 702 WEST DRAKE ROAD, UNIT D	Room/suite	B Telephone number (see page 10 of the instructions) 970-481-7164
	City or town, state, and ZIP code FORT COLLINS CO 80526		C If exemption application is pending, check here <input type="checkbox"/> D 1. Foreign organizations, check here <input type="checkbox"/> 2. Foreign organizations meeting the 85% test, check here and attach computation <input type="checkbox"/> E If private foundation status was terminated under section 507(b)(1)(A), check here <input type="checkbox"/> F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here <input type="checkbox"/>
H Check type of organization <input checked="" type="checkbox"/> Section 501(c)(3) exempt private foundation <input type="checkbox"/> Section 4947(a)(1) nonexempt charitable trust <input type="checkbox"/> Other taxable private foundation			
I Fair market value of all assets at end of year (from Part II, col (c), line 16) \$ 8,068,754 (Part I, column (d) must be on cash basis)		J Accounting method <input checked="" type="checkbox"/> Cash <input type="checkbox"/> Accrual <input type="checkbox"/> Other (specify)	

Part I Analysis of Revenue and Expenses (The

total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a) (see page 11 of the instructions))

(a) Revenue and expenses per books

(b) Net investment income

(c) Adjusted net income

(d) Disbursements for charitable purposes (cash basis only)

Revenue		(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
1	Contributions, gifts, grants, etc., received (attach schedule)				
2	Check <input checked="" type="checkbox"/> if the foundation is not required to attach Sch B				
3	Interest on savings and temporary cash investments	25	25		
4	Dividends and interest from securities	79,935	79,935		
5a	Gross rents				
b	Net rental income or (loss)				
6a	Net gain or (loss) from sale of assets not on line 10	225,381			
b	Gross sales price for all assets on line 6a	606,012			
7	Capital gain net income (from Part IV, line 2)		225,381		
8	Net short-term capital gain			0	
9	Income modifications				
10a	Gross sales less returns & allowances				
b	Less Cost of goods sold				
c	Gross profit or (loss) (attach schedule)				
11	Other income (attach schedule) Stmt 1	-9,549		-9,549	
12	Total Add lines 1 through 11	295,792	305,341	-9,549	
13	Compensation of officers, directors, trustees, etc	221,616	55,404		166,212
14	Other employee salaries and wages				
15	Pension plans, employee benefits	24,827	6,207		18,620
16a	Legal fees (attach schedule)				
b	Accounting fees (attach schedule) Stmt 2	2,555	639		1,916
c	Other professional fees (attach schedule) Stmt 3	12,306	6,153		6,153
17	Interest				
18	Taxes (attach schedule) (see page 14 of the instructions) Stmt 4	-9,200			
19	Depreciation (attach schedule) and depletion Stmt 5	2,682			
20	Occupancy	18,001	4,500		13,501
21	Travel, conferences, and meetings	6,756	1,689		5,067
22	Printing and publications				
23	Other expenses (att. sch) Stmt 6	10,423	10,413		
24	Total operating and administrative expenses. Add lines 13 through 23	289,966	85,005		211,469
25	Contributions, gifts, grants paid	342,941			342,941
26	Total expenses and disbursements. Add lines 24 and 25	632,907	85,005	0	554,410
27	Subtract line 26 from line 12				
a	Excess of revenue over expenses and disbursements	-337,115			
b	Net investment income (if negative, enter -0-)		220,336		
c	Adjusted net income (if negative, enter -0-)			0	

For Privacy Act and Paperwork Reduction Act Notice, see page 30 of the instructions.

Form **990-PF** (2009) **2**

Part II Balance Sheets		Attached schedules and amounts in the description column should be for end-of-year amounts only (See instructions)		Beginning of year	End of year	
				(a) Book Value	(b) Book Value	(c) Fair Market Value
Assets	1	Cash—non-interest-bearing		58,690	46,903	46,903
	2	Savings and temporary cash investments		5,689	46,835	46,835
	3	Accounts receivable ▶ Less allowance for doubtful accounts ▶				
	4	Pledges receivable ▶ Less allowance for doubtful accounts ▶				
	5	Grants receivable				
	6	Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see page 16 of the instructions)				
	7	Other notes and loans receivable (att schedule) ▶ Less allowance for doubtful accounts ▶				
	8	Inventories for sale or use				
	9	Prepaid expenses and deferred charges				
	10a	Investments—U S and state government obligations (attach schedule)				
	b	Investments—corporate stock (attach schedule) See Stmt 7		2,317,391	2,288,007	6,315,120
	c	Investments—corporate bonds (attach schedule)				
	11	Investments—land, buildings, and equipment basis ▶ Less accumulated depreciation (attach sch) ▶				
	12	Investments—mortgage loans		839,429	410,514	410,514
	13	Investments—other (attach schedule) See Statement 8		1,124,223	1,223,730	1,223,730
	14	Land, buildings, and equipment basis ▶ 76,993 Less accumulated depreciation (attach sch) ▶ Stmt 9 51,341		28,334	25,652	25,652
	15	Other assets (describe ▶)				
	16	Total assets (to be completed by all filers—see the instructions Also, see page 1, item I)		4,373,756	4,041,641	8,068,754
Liabilities	17	Accounts payable and accrued expenses				
	18	Grants payable				
	19	Deferred revenue				
	20	Loans from officers, directors, trustees, and other disqualified persons				
	21	Mortgages and other notes payable (attach schedule)				
	22	Other liabilities (describe ▶)				
	23	Total liabilities (add lines 17 through 22)		0	0	
Net Assets or Fund Balances	Foundations that follow SFAS 117, check here ▶ <input type="checkbox"/> and complete lines 24 through 26 and lines 30 and 31					
	24	Unrestricted				
	25	Temporarily restricted				
	26	Permanently restricted				
	Foundations that do not follow SFAS 117, check here ▶ <input checked="" type="checkbox"/> and complete lines 27 through 31.					
	27	Capital stock, trust principal, or current funds				
	28	Paid-in or capital surplus, or land, bldg, and equipment fund				
	29	Retained earnings, accumulated income, endowment, or other funds		4,373,756	4,036,641	
	30	Total net assets or fund balances (see page 17 of the instructions)		4,373,756	4,036,641	
	31	Total liabilities and net assets/fund balances (see page 17 of the instructions)		4,373,756	4,036,641	

Part III Analysis of Changes in Net Assets or Fund Balances

1	Total net assets or fund balances at beginning of year—Part II, column (a), line 30 (must agree with end-of-year figure reported on prior year's return)	1	4,373,756
2	Enter amount from Part I, line 27a	2	-337,115
3	Other increases not included in line 2 (itemize) ▶	3	
4	Add lines 1, 2, and 3	4	4,036,641
5	Decreases not included in line 2 (itemize) ▶	5	
6	Total net assets or fund balances at end of year (line 4 minus line 5)—Part II, column (b), line 30	6	4,036,641

Part IV Capital Gains and Losses for Tax on Investment Income

(a) List and describe the kind(s) of property sold (e.g., real estate, 2-story brick warehouse, or common stock, 200 shs MLC Co.)		(b) How acquired P—Purchase D—Donation	(c) Date acquired (mo., day, yr.)	(d) Date sold (mo., day, yr.)
1a	FNB TRUST-SEE SCHEDULE	P	Various	Various
b	COOLWATER NOTE	P	Various	05/01/09
c	HINZ NOTE	P	Various	10/01/09
d	FNB TRUST-CAP GAIN DIST.			
e				

(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)
a 603,935		36,960	566,975
b		211,222	-211,222
c		132,449	-132,449
d 2,077			2,077
e			

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69

(i) F M V as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col. (i) over col. (j), if any	(l) Gains (Col. (h) gain minus col. (k), but not less than -0-) or Losses (from col. (h))
a			566,975
b			-211,222
c			-132,449
d			2,077
e			

2 Capital gain net income or (net capital loss)	<div> <div>If gain, also enter in Part I, line 7</div> <div>If (loss), enter -0- in Part I, line 7</div> </div>	2	225,381
3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6)	<div> <div>If gain, also enter in Part I, line 8, column (c) (see pages 13 and 17 of the instructions)</div> <div>If (loss), enter -0- in Part I, line 8</div> </div>	3	

Part V Qualification Under Section 4940(e) for Reduced Tax on Net Investment Income

(For optional use by domestic private foundations subject to the section 4940(a) tax on net investment income.)

If section 4940(d)(2) applies, leave this part blank.

Was the foundation liable for the section 4942 tax on the distributable amount of any year in the base period? ☐ Yes ☒ No

If "Yes," the foundation does not qualify under section 4940(e). Do not complete this part.

1 Enter the appropriate amount in each column for each year, see page 18 of the instructions before making any entries

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (col. (b) divided by col. (c))
2008	676,516	10,327,944	0.065503
2007	672,000	14,004,968	0.047983
2006	646,085	13,361,748	0.048353
2005	476,116	12,888,014	0.036943
2004	396,411	9,867,218	0.040175

2 Total of line 1, column (d)	2	0.238957
3 Average distribution ratio for the 5-year base period—divide the total on line 2 by 5, or by the number of years the foundation has been in existence if less than 5 years	3	0.047791
4 Enter the net value of noncharitable-use assets for 2009 from Part X, line 5	4	8,114,097
5 Multiply line 4 by line 3	5	387,781
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	2,203
7 Add lines 5 and 6	7	389,984
8 Enter qualifying distributions from Part XII, line 4	8	554,410

If line 8 is equal to or greater than line 7, check the box in Part VI, line 1b, and complete that part using a 1% tax rate. See the Part VI instructions on page 18.

Part VI Excise Tax Based on Investment Income (Section 4940(a), 4940(b), 4940(e), or 4948—see page 18 of the instructions)

1a	Exempt operating foundations described in section 4940(d)(2), check here <input type="checkbox"/> and enter "N/A" on line 1 Date of ruling or determination letter (attach copy of letter if necessary—see instructions)		
b	Domestic foundations that meet the section 4940(e) requirements in Part V, check here <input checked="" type="checkbox"/> and enter 1% of Part I, line 27b	1	2,203
c	All other domestic foundations enter 2% of line 27b. Exempt foreign organizations enter 4% of Part I, line 12, col (b)		
2	Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)	2	0
3	Add lines 1 and 2	3	2,203
4	Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)	4	0
5	Tax based on investment income. Subtract line 4 from line 3. If zero or less, enter -0-	5	2,203
6	Credits/Payments		
a	2009 estimated tax payments and 2008 overpayment credited to 2009	6a	728
b	Exempt foreign organizations—tax withheld at source	6b	
c	Tax paid with application for extension of time to file (Form 8868)	6c	
d	Backup withholding erroneously withheld	6d	
7	Total credits and payments. Add lines 6a through 6d	7	728
8	Enter any penalty for underpayment of estimated tax. Check here <input type="checkbox"/> if Form 2220 is attached	8	
9	Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed	9	1,475
10	Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid	10	
11	Enter the amount of line 10 to be Credited to 2010 estimated tax <input type="checkbox"/> Refunded <input type="checkbox"/>	11	

Part VII-A Statements Regarding Activities

	Yes	No
1a During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?		X
b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see page 19 of the instructions for definition)? If the answer is "Yes" to 1a or 1b , attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities		X
c Did the foundation file Form 1120-POL for this year?		X
d Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year: (1) On the foundation <input type="checkbox"/> \$ _____ (2) On foundation managers <input type="checkbox"/> \$ _____		
e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers <input type="checkbox"/> \$ _____		
2 Has the foundation engaged in any activities that have not previously been reported to the IRS? If "Yes," attach a detailed description of the activities		X
3 Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? If "Yes," attach a conformed copy of the changes		X
4a Did the foundation have unrelated business gross income of \$1,000 or more during the year?		X
b If "Yes," has it filed a tax return on Form 990-T for this year?		
5 Was there a liquidation, termination, dissolution, or substantial contraction during the year? If "Yes," attach the statement required by General Instruction T		X
6 Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either: • By language in the governing instrument, or • By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?	X	
7 Did the foundation have at least \$5,000 in assets at any time during the year? If "Yes," complete Part II, col (c), and Part XV	X	
8a Enter the states to which the foundation reports or with which it is registered (see page 19 of the instructions) <input type="checkbox"/> CO		
b If the answer is "Yes" to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by General Instruction G? If "No," attach explanation	X	
9 Is the foundation claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 2009 or the taxable year beginning in 2009 (see instructions for Part XIV on page 27)? If "Yes," complete Part XIV		X
10 Did any persons become substantial contributors during the tax year? If "Yes," attach a schedule listing their names and addresses		X

N/A

Part VII-A Statements Regarding Activities (continued)

11	At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," attach schedule (see page 20 of the instructions)	11		X
12	Did the foundation acquire a direct or indirect interest in any applicable insurance contract before August 17, 2008?	12		X
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application? Website address ► N/A	13	X	
14	The books are in care of ► SEAN SHELLEY 702 W DRAKE RD, #D Located at ► FORT COLLINS, CO	Telephone no ► 970-481-7164 ZIP+4 ► 80526		
15	Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041—Check here and enter the amount of tax-exempt interest received or accrued during the year	► 15 <input type="checkbox"/>		

Part VII-B Statements Regarding Activities for Which Form 4720 May Be Required

File Form 4720 if any item is checked in the "Yes" column, unless an exception applies.

		Yes	No
1a	During the year did the foundation (either directly or indirectly)		
(1)	Engage in the sale or exchange, or leasing of property with a disqualified person?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
(2)	Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
(3)	Furnish goods, services, or facilities to (or accept them from) a disqualified person?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
(4)	Pay compensation to, or pay or reimburse the expenses of, a disqualified person?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
(5)	Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
(6)	Agree to pay money or property to a government official? (Exception. Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days)	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
b	If any answer is "Yes" to 1a(1)-(6), did any of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see page 20 of the instructions)? Organizations relying on a current notice regarding disaster assistance check here	N/A ► <input type="checkbox"/>	
c	Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2009?	N/A	
2	Taxes on failure to distribute income (section 4942) (does not apply for years the foundation was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5))		
a	At the end of tax year 2009, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2009? If "Yes," list the years ► 20 , 20 , 20 , 20	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
b	Are there any years listed in 2a for which the foundation is not applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to all years listed, answer "No" and attach statement—see page 20 of the instructions)	N/A	
c	If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here ► 20 , 20 , 20 , 20		
3a	Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
b	If "Yes," did it have excess business holdings in 2009 as a result of (1) any purchase by the foundation or disqualified persons after May 26, 1969, (2) the lapse of the 5-year period (or longer period approved by the Commissioner under section 4943(c)(7)) to dispose of holdings acquired by gift or bequest, or (3) the lapse of the 10-, 15-, or 20-year first phase holding period? (Use Schedule C, Form 4720, to determine if the foundation had excess business holdings in 2009)	N/A	
4a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	4a	X
b	Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2009?	4b	X

Part VII-B Statements Regarding Activities for Which Form 4720 May Be Required (continued)

5a During the year did the foundation pay or incur any amount to

(1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))? ☐ Yes ☒ No

(2) Influence the outcome of any specific public election (see section 4955), or to carry on, directly or indirectly, any voter registration drive? ☐ Yes ☒ No

(3) Provide a grant to an individual for travel, study, or other similar purposes? ☐ Yes ☒ No

(4) Provide a grant to an organization other than a charitable, etc., organization described in section 509(a)(1), (2), or (3), or section 4940(d)(2)? (see page 22 of the instructions) ☐ Yes ☒ No

(5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals? ☐ Yes ☒ No

b If any answer is "Yes" to 5a(1)-(5), did **any** of the transactions fail to qualify under the exceptions described in Regulations section 53.4945 or in a current notice regarding disaster assistance (see page 22 of the instructions)? **N/A** ☐ **5b**

Organizations relying on a current notice regarding disaster assistance check here ☐

c If the answer is "Yes" to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant? **N/A** ☐ Yes ☐ No

If "Yes," attach the statement required by Regulations section 53.4945-5(d)

6a Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? ☐ Yes ☒ No

b Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract? **6b** ☒ **X**

If "Yes" to 6b, file Form 8870

7a At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction? ☐ Yes ☒ No

b If yes, did the foundation receive any proceeds or have any net income attributable to the transaction? **N/A** **7b**

Part VIII Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors**1 List all officers, directors, trustees, foundation managers and their compensation (see page 22 of the instructions).**

(a) Name and address	(b) Title, and average hours per week devoted to position	(c) Compensation (If not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
SEAN SHELLEY 4641 EAGLE LAKE SOUTH FORT COLLINS CO 80524	TRUSTEE 40.00	221,616	14,774	0

2 Compensation of five highest-paid employees (other than those included on line 1—see page 23 of the instructions).

If none, enter "NONE."

(a) Name and address of each employee paid more than \$50,000	(b) Title, and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
NONE				

Total number of other employees paid over \$50,000 ☐

Part VIII Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors (continued)**3 Five highest-paid independent contractors for professional services (see page 23 of the instructions). If none, enter "NONE."**

(a) Name and address of each person paid more than \$50,000	(b) Type of service	(c) Compensation
NONE		

Total number of others receiving over \$50,000 for professional services ▶**Part IX-A Summary of Direct Charitable Activities**

List the foundation's four largest direct charitable activities during the tax year. Include relevant statistical information such as the number of organizations and other beneficiaries served, conferences convened, research papers produced, etc.

	Expenses
1 N/A	
2	
3	
4	

Part IX-B Summary of Program-Related Investments (see page 24 of the instructions)

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2

	Amount
1 N/A	
2	
All other program-related investments. See page 24 of the instructions	

3Total. Add lines 1 through 3 ▶

Part X Minimum Investment Return (All domestic foundations must complete this part. Foreign foundations, see page 24 of the instructions.)

1	Fair market value of assets not used (or held for use) directly in carrying out charitable, etc., purposes		
a	Average monthly fair market value of securities	1a	8,213,145
b	Average of monthly cash balances	1b	24,517
c	Fair market value of all other assets (see page 24 of the instructions)	1c	0
d	Total (add lines 1a, b, and c)	1d	8,237,662
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	1e	0
2	Acquisition indebtedness applicable to line 1 assets	2	0
3	Subtract line 2 from line 1d	3	8,237,662
4	Cash deemed held for charitable activities. Enter 1½ % of line 3 (for greater amount, see page 25 of the instructions)	4	123,565
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	8,114,097
6	Minimum investment return. Enter 5% of line 5	6	405,705

Part XI Distributable Amount (see page 25 of the instructions) (Section 4942(j)(3) and (j)(5) private operating foundations and certain foreign organizations check here ☐ and do not complete this part.)

1	Minimum investment return from Part X, line 6	1	405,705
2a	Tax on investment income for 2009 from Part VI, line 5	2a	2,203
b	Income tax for 2009 (This does not include the tax from Part VI.)	2b	
c	Add lines 2a and 2b	2c	2,203
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	403,502
4	Recoveries of amounts treated as qualifying distributions	4	
5	Add lines 3 and 4	5	403,502
6	Deduction from distributable amount (see page 25 of the instructions)	6	
7	Distributable amount as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1	7	403,502

Part XII Qualifying Distributions (see page 25 of the instructions)

1	Amounts paid (including administrative expenses) to accomplish charitable, etc., purposes	1a	554,410
a	Expenses, contributions, gifts, etc.—total from Part I, column (d), line 26	1b	
b	Program-related investments—total from Part IX-B		
2	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes	2	
3	Amounts set aside for specific charitable projects that satisfy the		
a	Suitability test (prior IRS approval required)	3a	
b	Cash distribution test (attach the required schedule)	3b	
4	Qualifying distributions. Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	4	554,410
5	Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income. Enter 1% of Part I, line 27b (see page 26 of the instructions)	5	2,203
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6	552,207

Note. The amount on line 6 will be used in Part V, column (b), in subsequent years when calculating whether the foundation qualifies for the section 4940(e) reduction of tax in those years.

Part XIII Undistributed Income (see page 26 of the instructions)

	(a) Corpus	(b) Years prior to 2008	(c) 2008	(d) 2009
1 Distributable amount for 2009 from Part XI, line 7				403,502
2 Undistributed income, if any, as of the end of 2009				
a Enter amount for 2008 only			496,931	
b Total for prior years 20____, 20____, 20____				
3 Excess distributions carryover, if any, to 2009				
a From 2004				
b From 2005				
c From 2006				
d From 2007				
e From 2008				
f Total of lines 3a through e				
4 Qualifying distributions for 2009 from Part XII, line 4 ▶ \$ 554,410				
a Applied to 2008, but not more than line 2a			496,931	
b Applied to undistributed income of prior years (Election required—see page 26 of the instructions)				
c Treated as distributions out of corpus (Election required—see page 26 of the instructions)				
d Applied to 2009 distributable amount				57,479
e Remaining amount distributed out of corpus				
5 Excess distributions carryover applied to 2009 (If an amount appears in column (d), the same amount must be shown in column (a))				
6 Enter the net total of each column as indicated below:				
a Corpus Add lines 3f, 4c, and 4e Subtract line 5				
b Prior years' undistributed income Subtract line 4b from line 2b				
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed				
d Subtract line 6c from line 6b Taxable amount—see page 27 of the instructions				
e Undistributed income for 2008 Subtract line 4a from line 2a Taxable amount—see page 27 of the instructions				
f Undistributed income for 2009 Subtract lines 4d and 5 from line 1 This amount must be distributed in 2010				346,023
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (see page 27 of the instructions)				
8 Excess distributions carryover from 2004 not applied on line 5 or line 7 (see page 27 of the instructions)				
9 Excess distributions carryover to 2010. Subtract lines 7 and 8 from line 6a				
10 Analysis of line 9				
a Excess from 2005				
b Excess from 2006				
c Excess from 2007				
d Excess from 2008				
e Excess from 2009				

Part XIV Private Operating Foundations (see page 27 of the instructions and Part VII-A, question 9)

1a If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 2009, enter the date of the ruling ▶

b Check box to indicate whether the foundation is a private operating foundation described in section ☐ 4942(j)(3) or ☐ 4942(j)(5)

	Tax year	Prior 3 years			(e) Total
	(a) 2009	(b) 2008	(c) 2007	(d) 2006	
2a Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed					
b 85% of line 2a					
c Qualifying distributions from Part XII, line 4 for each year listed					
d Amounts included in line 2c not used directly for active conduct of exempt activities					
e Qualifying distributions made directly for active conduct of exempt activities Subtract line 2d from line 2c					
3 Complete 3a, b, or c for the alternative test relied upon					
a "Assets" alternative test—enter					
(1) Value of all assets					
(2) Value of assets qualifying under section 4942(j)(3)(B)(i)					
b "Endowment" alternative test—enter 2/3 of minimum investment return shown in Part X, line 6 for each year listed					
c "Support" alternative test—enter					
(1) Total support other than gross investment income (interest, dividends, rents, payments on securities loans (section 512(a)(5)), or royalties)					
(2) Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(iii)					
(3) Largest amount of support from an exempt organization					
(4) Gross investment income					

Part XV Supplementary Information (Complete this part only if the foundation had \$5,000 or more in assets at any time during the year—see page 28 of the instructions.)**1 Information Regarding Foundation Managers:**

a List any managers of the foundation who have contributed more than 2% of the total contributions received by the foundation before the close of any tax year (but only if they have contributed more than \$5,000) (See section 507(d)(2))

N/A

b List any managers of the foundation who own 10% or more of the stock of a corporation (or an equally large portion of the ownership of a partnership or other entity) of which the foundation has a 10% or greater interest

N/A

2 Information Regarding Contribution, Grant, Gift, Loan, Scholarship, etc., Programs:

Check here ☒ if the foundation only makes contributions to preselected charitable organizations and does not accept unsolicited requests for funds. If the foundation makes gifts, grants, etc. (see page 28 of the instructions) to individuals or organizations under other conditions, complete items 2a, b, c, and d.

a The name, address, and telephone number of the person to whom applications should be addressed

N/A

b The form in which applications should be submitted and information and materials they should include

N/A

c Any submission deadlines

N/A

d Any restrictions or limitations on awards, such as by geographical areas, charitable fields, kinds of institutions, or other factors

N/A

Part XV Supplementary Information (continued)**3 Grants and Contributions Paid During the Year or Approved for Future Payment**

Recipient		If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
Name and address (home or business)					
a Paid during the year See Statement 10					342,941
Total					▶ 3a 342,941
b Approved for future payment N/A					
Total					▶ 3b

Form **990-PF** (2009)

Depreciation and Amortization
(Including Information on Listed Property)

OMB No 1545-0172

2009Attachment
Sequence No **67**

▶ See separate instructions.

▶ Attach to your tax return

Name(s) shown on return

THE ELF FOUNDATION

Identifying number

84-1548560

Business or activity to which this form relates

Indirect Depreciation**Part I Election To Expense Certain Property Under Section 179****Note:** If you have any listed property, complete Part V before you complete Part I.

1	Maximum amount See the instructions for a higher limit for certain businesses	1	250,000
2	Total cost of section 179 property placed in service (see instructions)	2	
3	Threshold cost of section 179 property before reduction in limitation (see instructions)	3	800,000
4	Reduction in limitation Subtract line 3 from line 2 If zero or less, enter -0-	4	
5	Dollar limitation for tax year Subtract line 4 from line 1 If zero or less, enter -0- If married filing separately, see instructions	5	

6	(a) Description of property	(b) Cost (business use only)	(c) Elected cost

7	Listed property Enter the amount from line 29	7	
8	Total elected cost of section 179 property Add amounts in column (c), lines 6 and 7	8	
9	Tentative deduction Enter the smaller of line 5 or line 8	9	
10	Carryover of disallowed deduction from line 13 of your 2008 Form 4562	10	
11	Business income limitation Enter the smaller of business income (not less than zero) or line 5 (see instructions)	11	
12	Section 179 expense deduction Add lines 9 and 10, but do not enter more than line 11	12	
13	Carryover of disallowed deduction to 2010 Add lines 9 and 10, less line 12 ▶	13	

Note. Do not use Part II or Part III below for listed property. Instead, use Part V**Part II Special Depreciation Allowance and Other Depreciation (Do not include listed property) (See instr)**

14	Special depreciation allowance for qualified property (other than listed property) placed in service during the tax year (see instructions)	14	
15	Property subject to section 168(f)(1) election	15	
16	Other depreciation (including ACRS)	16	2,682

Part III MACRS Depreciation (Do not include listed property) (See instructions.)**Section A**

17	MACRS deductions for assets placed in service in tax years beginning before 2009	17	0
18	If you are electing to group any assets placed in service during the tax year into one or more general asset accounts, check here ▶ <input type="checkbox"/>		

Section B—Assets Placed in Service During 2009 Tax Year Using the General Depreciation System

(a) Classification of property	(b) Month and year placed in service	(c) Basis for depreciation (business/investment use only—see instructions)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
19a 3-year property						
b 5-year property						
c 7-year property						
d 10-year property						
e 15-year property						
f 20-year property						
g 25-year property			25 yrs		S/L	
h Residential rental property			27 5 yrs	MM	S/L	
			27 5 yrs	MM	S/L	
i Nonresidential real property			39 yrs	MM	S/L	
				MM	S/L	

Section C—Assets Placed in Service During 2009 Tax Year Using the Alternative Depreciation System

20a Class life					S/L	
b 12-year			12 yrs		S/L	
c 40-year			40 yrs	MM	S/L	

Part IV Summary (See instructions.)

21	Listed property Enter amount from line 28	21	
22	Total Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21 Enter here and on the appropriate lines of your return Partnerships and S corporations—see instructions	22	2,682
23	For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs	23	

For Paperwork Reduction Act Notice, see separate instructions.

Form **4562** (2009)

Federal Statements**Statement 1 - Form 990-PF, Part I, Line 11 - Other Income**

Description	Revenue per Books	Net Investment Income	Adjusted Net Income
VISIBLE PRODUCTIONS LLC	\$ -5,947	\$	\$ -5,947
OPTIBRAND	-4,186		-4,186
TRAILRIDGE FUND, LP	584		584
Total	<u>\$ -9,549</u>	<u>\$ 0</u>	<u>\$ -9,549</u>

Statement 2 - Form 990-PF, Part I, Line 16b - Accounting Fees

Description	Total	Net Investment	Adjusted Net	Charitable Purpose
TAX PREPARATION	\$ 2,555	\$ 639	\$	\$ 1,916
Total	<u>\$ 2,555</u>	<u>\$ 639</u>	<u>\$ 0</u>	<u>\$ 1,916</u>

Statement 3 - Form 990-PF, Part I, Line 16c - Other Professional Fees

Description	Total	Net Investment	Adjusted Net	Charitable Purpose
FNB TRUST FEES	\$ 12,306	\$ 6,153	\$	\$ 6,153
Total	<u>\$ 12,306</u>	<u>\$ 6,153</u>	<u>\$ 0</u>	<u>\$ 6,153</u>

Statement 4 - Form 990-PF, Part I, Line 18 - Taxes

Description	Total	Net Investment	Adjusted Net	Charitable Purpose
FORM 990 T TAX REFUND	\$ -9,200	\$	\$	\$
Total	<u>\$ -9,200</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

Federal Statements

Statement 5 - Form 990-PF, Part I, Line 19 - Depreciation

Description									
Date Acquired	Cost Basis	Prior Year Depreciation	Method	Life	Current Year Depreciation	Net Investment Income	Adjusted Net Income		
CABINETS									
3/01/02	\$ 420	\$ 420	S/L	7	\$	\$	\$		
LEASEHOLD IMPROVEMENTS									
7/01/01	33,523	16,761	S/L	15	2,235				
BRONZE									
4/02/02	6,180			0					
COMPUTER									
9/01/01	4,314	4,314	S/L	5					
OFFICE FURNITURE									
8/01/01	23,685	23,685	S/L	7					
STAND UP DESK									
9/15/03	2,337	1,892	S/L	7	334				
THERMOTER									
6/14/04	3,012			0					
DELL LAPTOP									
8/30/04	1,700	1,587	S/L	5	113				
THERMOTER									
8/17/06	1,822			0					
Total	\$ 76,993	\$ 48,659			\$ 2,682	\$ 0	\$ 0		

Statement 6 - Form 990-PF, Part I, Line 23 - Other Expenses

Description	Total	Net Investment	Adjusted Net	Charitable Purpose
Expenses	\$	\$	\$	\$
NON-DEDUCTABLE EXPENSE-K-1	10			
PORTFOLIO EXPENSE-K-1	10,413	10,413		
Total	\$ 10,423	\$ 10,413	\$ 0	\$ 0

Federal Statements

Statement 7 - Form 990-PF, Part II, Line 10b - Corporate Stock Investments

Description	Beginning of Year	End of Year	Basis of Valuation	Fair Market Value
SEE SCHEDULE	\$ 2,317,391	\$ 2,288,007	Cost	\$ 6,315,120
Total	<u>\$ 2,317,391</u>	<u>\$ 2,288,007</u>		<u>\$ 6,315,120</u>

Statement 8 - Form 990-PF, Part II, Line 13 - Other Investments

Description	Beginning of Year	End of Year	Basis of Valuation	Fair Market Value
SEE SCHEDULE	\$ 1,124,223	\$ 1,223,730	Cost	\$ 1,223,730
Total	<u>\$ 1,124,223</u>	<u>\$ 1,223,730</u>		<u>\$ 1,223,730</u>

ELF THE ELF FOUNDATION

84-1548560

FYE: 4/30/2010

Federal Statements

Statement 9 - Form 990-PF, Part II, Line 14 - Land, Building, and Equipment

Description	Beginning Net Book	End Cost / Basis	End Accumulated Depreciation	Net FMV
	\$ 28,334	\$ 76,993	\$ 51,341	\$
Total	\$ 28,334	\$ 76,993	\$ 51,341	\$ 0

Federal Statements

**Statement 10 - Form 990-PF, Part XV, Line 3a - Grants and Contributions Paid During the
Year**

Name	Address	Relationship	Status	Purpose	Amount
SUSAN B KOMEN	FORT COLLINS CO	NONE	PUBLIC	CANCER RESERCH	2,500
HAND UP COOP	FORT COLLINS CO	NONE	PUBLIC	HOMELESS PREVENTION	10,000
RESPITE CARE	FORT COLLINS CO	NONE	PUBLIC	CHILDREN PROGRAM	1,000
CHILD SAFE	FORT COLLINS CO	NONE	PUBLIC	CHILDREN SAFETY	2,500
CROSSROADS SAFEHOUSE	FORT COLLINS CO	NONE	PUBLIC	ABUSED WOMEN	120,000
NATURE CONSERVANCY	FORT COLLINS CO	NONE	PUBLIC	NATURE PRESERVATION	50,000
COMMUNITY FOUNDATION	FORT COLLINS CO	NONE	PUBLIC	HOSPICE/MENTAL HEALTH	73,441
BOYS & GIRLS CLUB	FORT COLLINS CO	NONE	PUBLIC	YOUTH PROGRAMS	30,000
HEALTH DISTRICT	FORT COLLINS CO	NONE	PUBLIC	DENTAL ASSISTANCE	20,000
ENMU FOUNDATION	FORT COLLINS CO	NONE	PUBLIC	MUSIC SCHOLARSHIP FUND	5,000
PVH FOUNDATION	FORT COLLINS CO	NONE	PUBLIC	CANCER PATIENT ASSISTANCE	5,000
COMMUNITY FOUNDATION	FORT COLLINS CO	NONE	PUBLIC	HOMELESS WINTER GEAR	5,000
LA PUENTA HOME	ALAMOSA CO	NONE	PUBLIC	HOMELESS PREVENTION	13,500
CSU FOUNDATION	FORT COLLINS CO	NONE	PUBLIC	HEALTH EXERCISE YOUTH	5,000
Total					<u>342,941</u>

ELF THE ELF FOUNDATION

84-1548560

FYE 4/30/2010

Federal Asset Report

Form 990, Page 1

Asset	Description	Date In Service	Cost	Bus %	Sec 179	Bonus	Basis for Depr	Per Conv	Meth	Prior	Current
Other Depreciation:											
1	CABINETS	3/01/02	420				420	7	MO S/L	420	0
2	LEASEHOLD IMPROVEMENTS	7/01/01	33,523				33,523	15	MO S/L	16,761	2,235
3	BRONZE	4/02/02	6,180				6,180	0	-- Memo	0	0
4	COMPUTER	9/01/01	4,314				4,314	5	MO S/L	4,314	0
5	OFFICE FURNITURE	8/01/01	23,685				23,685	7	MO S/L	23,685	0
6	STAND UP DESK	9/15/03	2,337				2,337	7	MO S/L	1,892	334
7	THERMOTER	6/14/04	3,012				3,012	0	-- Memo	0	0
8	DELL LAPTOP	8/30/04	1,700				1,700	5	MO S/L	1,587	113
9	THERMOTER	8/17/06	1,822				1,822	0	-- Memo	0	0
Total Other Depreciation			<u>76,993</u>				<u>76,993</u>			<u>48,659</u>	<u>2,682</u>
Total ACRS and Other Depreciation			<u>76,993</u>				<u>76,993</u>			<u>48,659</u>	<u>2,682</u>
Grand Totals			76,993				76,993			48,659	2,682
Less: Dispositions and Transfers			0				0			0	0
Less: Start-up/Org Expense			0				0			0	0
Net Grand Totals			<u>76,993</u>				<u>76,993</u>			<u>48,659</u>	<u>2,682</u>

ELF THE ELF FOUNDATION

84-1548560

FYE: 4/30/2010

Federal Statements

Taxable Interest on Investments

<u>Description</u>	<u>Amount</u>	<u>Unrelated Business Code</u>	<u>Exclusion Code</u>	<u>Postal Code</u>
FNB TRUST	\$ 5		14	
WESTERN NATIONAL MONEY MARKET	20		14	
Total	<u>\$ 25</u>			

Taxable Dividends from Securities

<u>Description</u>	<u>Amount</u>	<u>Unrelated Business Code</u>	<u>Exclusion Code</u>	<u>Postal Code</u>
K-1 INTEREST	\$ 45,812		14	
FNB TRUST DIVIDENDS	10		14	
DRAKE NOTE INTEREST	29,892		14	
VP BOND INTEREST	-240		14	
HINZ NOTE INTEREST	4,461		14	
Total	<u>\$ 79,935</u>			

ACCT 465R 4002002335
FROM 05/01/2009
TO 04/30/2010

FIRST NATIONAL BANK
STATEMENT OF CAPITAL GAINS AND LOSSES
ELF FOUNDATION

PAGE 13

RUN 06/01/2010
09.23 38 AM

TRUST YEAR ENDING 04/30/2010

TAX PREPARER 17
TRUST ADMINISTRATOR 20
INVESTMENT OFFICER 132

LEGEND: F - FEDERAL S - STATE I - INHERITED
E - EXEMPT FROM STATE U - ACQ COST UNKNOWN

PROPERTY DESCRIPTION	SHARES	DATE	SALES PRICE	COST BASIS	GAIN/LOSS	TERM
1000.0000 ULTRA PETE CORP - 903914109 - MINOR = 43						
SOLD		09/01/2009	46271.10			
ACQ	1000.0000	05/30/2001	46271.10	3230.00	43041.10	LT15
4000.0000 ULTRA PETE CORP - 903914109 - MINOR = 43						
SOLD		10/19/2009	222085.48			
ACQ	4000.0000	05/30/2001	222085.48	12920.00	209165.48	LT15
500.0000 ULTRA PETE CORP - 903914109 - MINOR = 43						
SOLD		12/30/2009	25213.35			
ACQ	500.0000	05/30/2001	25213.35	1615.00	23598.35	LT15
1500.0000 ULTRA PETE CORP - 903914109 - MINOR = 43						
SOLD		02/25/2010	68224.83			
ACQ	1500.0000	05/30/2001	68224.83	4845.00	63379.83	LT15
5000.0000 ULTRA PETE CORP - 903914109 - MINOR = 43						
SOLD		04/26/2010	242139.90			
ACQ	3000.0000	05/30/2001	145283.94	9690.00	135593.94	LT15
	2000.0000	07/26/2001	96855.96	4660.00	92195.96	LT15
TOTALS			603934.66	36960.00		

SUMMARY OF CAPITAL GAINS/LOSSES

FEDERAL	SHORT TERM	LONG TERM 28%	LONG TERM 15%	ST WASH SALE	LT WASH SALE	1250 GAIN
SUBTOTAL FROM ABOVE	0.00	0.00	566974.66	0.00	0.00	0.00*
COMMON TRUST FUND	0.00	0.00	0.00			0.00
CAPITAL GAIN DIVIDENDS	0.00	0.00	2077.35			0.00
	0.00	0.00	569052.01	0.00	0.00	0.00
STATE						
SUBTOTAL FROM ABOVE	0.00	0.00	566974.66	0.00	0.00	0.00*
COMMON TRUST FUND	0.00	0.00	0.00			0.00
CAPITAL GAIN DIVIDENDS	0.00	0.00	2077.35			0.00
	0.00	0.00	569052.01	0.00	0.00	0.00

* - 1250 GAIN DETAILED ON TRANS PAGES, NOT ABOVE

CAPITAL LOSS CARRYOVER

FEDERAL	0.00	0.00
COLORADO	N/A	N/A

ELF FOUNDATION ASSET LISTING
PERIOD ENDING APRIL 30, 2010

<u>DESCRIPTION</u>	<u>COST</u>	<u>MARKET VALUE</u>
Checking Account	46,903	46,903
Money Market	46,835	46,835
<u>Notes Receivable</u>		
Bldg D 7.5% Sec 7/20/16	410,514	410,514
		<u>410,514</u>
<u>Equities</u>		
RIV WORKS	100,000	100,000
Ultra Petroleum Corp	1,132,047	5,159,160
Rocky Soft	100,000	100,000
Thermotek	955,960	955,960
	<u>2,288,007</u>	<u>6,315,120</u>
 <u>PP&E</u>	 25,652	 25,652
 <u>Other Assets</u>		
Optibrand, LLC	42,942	42,942
Trailridge, LLC	609,312	609,312
Ogden	199,322	199,322
visible Productions, LLC	128,011	128,011
Kimbrow Road	244,143	244,143
	<u>1,223,730</u>	<u>1,223,730</u>
 Total Assets	 4,041,641	 8,068,754