Form **990-PF**

Department of the Treasury
Internal Revenue Service

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

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

OMB No 1545-0052

2011

For calendar year 2011 or tax year beginning , **and ending**

Name of foundation
THE ARCHES FOUNDATION

A Employer identification number
46-0468960

Number and street (or P O box number if mail is not delivered to street address)
1150 RIVER DRIVE

Room/suite

B Telephone number
9709259048

City or town, state, and ZIP code
ASPEN, CO 81611

C If exemption application is pending, check here ▶ ☐

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

D 1. Foreign organizations, check here ▶ ☐
2. Foreign organizations meeting the 85% test, check here and attach computation ▶ ☐

H Check type of organization ☒ Section 501(c)(3) exempt private foundation ☐ Section 4947(a)(1) nonexempt charitable trust ☐ Other taxable private foundation

E If private foundation status was terminated under section 507(b)(1)(A), check here ▶ ☐

I Fair market value of all assets at end of year *(from Part II, col. (c), line 16)* ▶$ 3,526,526.

J Accounting method ☒ Cash ☐ Accrual ☐ Other (specify) *(Part I, column (d) must be on cash basis.)*

F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here ▶ ☐

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))

Line	Description	(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
Revenue					
1	Contributions, gifts, grants, etc , received			N/A	
2	Check ▶ ☒ if the foundation is not required to attach Sch B				
3	Interest on savings and temporary cash investments	765.	765.		Statement 1
4	Dividends and interest from securities	81,702.	79,646.		Statement 2
5a	Gross rents				
b	Net rental income or (loss)				
6a	Net gain or (loss) from sale of assets not on line 10	234,047.			
b	Gross sales price for all assets on line 6a 2,638,399.				
7	Capital gain net income (from Part IV, line 2)		234,047.		
8	Net short-term capital gain				
9	Income modifications				
10a	Gross sales less returns and allowances				
b	Less Cost of goods sold				
c	Gross profit or (loss)				
11	Other income				
12	**Total** Add lines 1 through 11	316,514.	314,458.		
Operating and Administrative Expenses					
13	Compensation of officers, directors, trustees, etc	0.	0.		0.
14	Other employee salaries and wages				
15	Pension plans, employee benefits				
16a	Legal fees				
b	Accounting fees Stmt 3	1,169.	0.		0.
c	Other professional fees				
17	Interest				
18	Taxes Stmt 4	4,240.	4,240.		0.
19	Depreciation and depletion				
20	Occupancy				
21	Travel, conferences, and meetings				
22	Printing and publications				
23	Other expenses Stmt 5	20,910.	20,611.		0.
24	**Total operating and administrative expenses.** Add lines 13 through 23	26,319.	24,851.		0.
25	Contributions, gifts, grants paid	139,489.			139,489.
26	**Total expenses and disbursements.** Add lines 24 and 25	165,808.	24,851.		139,489.
27	Subtract line 26 from line 12				
a	Excess of revenue over expenses and disbursements	150,706.			
b	**Net investment income** (if negative, enter -0-)		289,607.		
c	**Adjusted net income** (if negative, enter -0-)			N/A	

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12-02-11 LHA For Paperwork Reduction Act Notice, see instructions.

Form **990-PF** (2011)

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Part II Balance Sheets	Attached schedules and amounts in the description column should be for end-of-year amounts only		Beginning of year (a) Book Value	End of year (b) Book Value	(c) Fair Market Value
Assets	1	Cash - non-interest-bearing			
	2	Savings and temporary cash investments	49,386.	76,355.	76,355.
	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			
	7	Other notes and loans receivable ▶			
		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 Stmt 7	0.	50,668.	48,191.
	b	Investments - corporate stock Stmt 8	2,175,566.	2,849,925.	3,074,217.
	c	Investments - corporate bonds Stmt 9	360,047.	341,444.	327,763.
	11	Investments - land, buildings, and equipment basis ▶			
		Less accumulated depreciation ▶			
	12	Investments - mortgage loans			
	13	Investments - other Stmt 10	566,118.	0.	0.
	14	Land, buildings, and equipment basis ▶			
		Less accumulated depreciation ▶			
	15	Other assets (describe ▶)			
	16	**Total assets** (to be completed by all filers)	3,151,117.	3,318,392.	3,526,526.
Liabilities	17	Accounts payable and accrued expenses	750.		
	18	Grants payable			
	19	Deferred revenue			
	20	Loans from officers, directors, trustees, and other disqualified persons	26,740.	26,740.	
	21	Mortgages and other notes payable			
	22	Other liabilities (describe ▶)			
	23	**Total liabilities** (add lines 17 through 22)	27,490.	26,740.	
Net Assets or Fund Balances		**Foundations that follow SFAS 117, check here ▶ ☐ 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 ▶ [X] and complete lines 27 through 31.			
	27	Capital stock, trust principal, or current funds	0.	0.	
	28	Paid-in or capital surplus, or land, bldg , and equipment fund	0.	0.	
	29	Retained earnings, accumulated income, endowment, or other funds	3,123,627.	3,291,652.	
	30	**Total net assets or fund balances**	3,123,627.	3,291,652.	
	31	**Total liabilities and net assets/fund balances**	3,151,117.	3,318,392.	

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	3,123,627.
2	Enter amount from Part I, line 27a	2	150,706.
3	Other increases not included in line 2 (itemize) ▶ See Statement 6	3	17,319.
4	Add lines 1, 2, and 3	4	3,291,652.
5	Decreases not included in line 2 (itemize) ▶	5	0.
6	Total net assets or fund balances at end of year (line 4 minus line 5) - Part II, column (b), line 30	6	3,291,652.

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	CHARLES SCHWAB - attached	P		
b	CHARLES SCHWAB - attached	P		
c	PERSHING - attached	P		
d	PERSHING - attached	P		
e	Capital Gains Dividends			

	(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	479,811.		549,161.	-69,350.
b	2,104,654.		1,819,172.	285,482.
c	4,153.		3,931.	222.
d	39,078.		32,088.	6,990.
e	10,703.			10,703.

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				-69,350.
b				285,482.
c				222.
d				6,990.
e				10,703.

2 Capital gain net income or (net capital loss)	{ If gain, also enter in Part I, line 7 If (loss), enter -0- in Part I, line 7 }	2	234,047.
3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6) If gain, also enter in Part I, line 8, column (c) If (loss), enter -0- in Part I, line 8	}	3	N/A

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 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))
2010	190,000.	3,793,184.	.050090
2009	151,896.	3,425,290.	.044345
2008	239,684.	3,896,836.	.061507
2007	239,597.	4,522,676.	.052977
2006	226,400.	4,220,628.	.053641

2 Total of line 1, column (d)	2	.262560
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	.052512
4 Enter the net value of noncharitable-use assets for 2011 from Part X, line 5	4	3,702,543.
5 Multiply line 4 by line 3	5	194,428.
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	2,896.
7 Add lines 5 and 6	7	197,324.
8 Enter qualifying distributions from Part XII, line 4	8	139,489.

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

Part VI Excise Tax Based on Investment Income (Section 4940(a), 4940(b), 4940(e), or 4948 - see instructions)

1a	Exempt operating foundations described in section 4940(d)(2), check here ▶ ☐ 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 ▶ ☐ and enter 1% of Part I, line 27b	1	5,792.
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	5,792.
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	5,792.
6	Credits/Payments		
a	2011 estimated tax payments and 2010 overpayment credited to 2011 — 6a: 1,120.		
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	1,120.
8	Enter any **penalty** for underpayment of estimated tax Check here ☐ if Form 2220 is attached	8	1.
9	**Tax due.** If the total of lines 5 and 8 is more than line 7, enter **amount owed** See Statement 11 ▶	9	4,673.
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 2012 estimated tax** ▶ Refunded ▶	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?	1a		X
b	Did it spend more than $100 during the year (either directly or indirectly) for political purposes (see instructions for definition)?	1b		X
	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.			
c	Did the foundation file **Form 1120-POL** for this year?	1c		X
d	Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year (1) On the foundation ▶ $ 0. (2) On foundation managers ▶ $ 0.			
e	Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers ▶ $ 0.			
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.*	2		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*	3		X
4a	Did the foundation have unrelated business gross income of $1,000 or more during the year?	4a		X
b	If "Yes," has it filed a tax return on **Form 990-T** for this year? N/A	4b		
5	Was there a liquidation, termination, dissolution, or substantial contraction during the year? *If "Yes," attach the statement required by General Instruction T.*	5		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?	6	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.*	7	X	
8a	Enter the states to which the foundation reports or with which it is registered (see instructions) ▶ 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*	8b	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 2011 or the taxable year beginning in 2011 (see instructions for Part XIV)? *If "Yes," complete Part XIV*	9		X
10	Did any persons become substantial contributors during the tax year? If "Yes," attach a schedule listing their names and addresses	10		X

Part VII-A Statements Regarding Activities *(continued)*

		Line	Yes	No
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 instructions)	11		X
12	Did the foundation make a distribution to a donor advised fund over which the foundation or a disqualified person had advisory privileges? If "Yes," attach statement (see instructions)	12		X
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application?	13	X	

Website address ▶ N/A

14 The books are in care of ▶ THE ARCHES FOUNDATION Telephone no ▶970.925.9048
Located at ▶1150 RIVER DR, ASPEN, CO ZIP+4 ▶81611

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 N/A

		Line	Yes	No
16	At any time during calendar year 2011, did the foundation have an interest in or a signature or other authority over a bank, securities, or other financial account in a foreign country?	16		X
	See the instructions for exceptions and filing requirements for Form TD F 90-22 1 If "Yes," enter the name of the foreign country ▶			

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.

			Line	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?	☐ Yes ☒ No			
	(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person?	☐ Yes ☒ No			
	(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person?	☐ Yes ☒ No			
	(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person?	☐ Yes ☒ 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)?	☐ Yes ☒ 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)	☐ Yes ☒ 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 instructions)?	N/A	1b		
	Organizations relying on a current notice regarding disaster assistance check here	▶ ☐			
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 2011?		1c		X
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 2011, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2011?	☐ Yes ☒ No			
	If "Yes," list the years ▶ ____, ____, ____, ____				
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 instructions)	N/A	2b		
c	If the provisions of section 4942(a)(2) are being applied to **any** of the years listed in 2a, list the years here ▶ ____, ____, ____, ____				
3a	Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year?	☐ Yes ☒ No			
b	If "Yes," did it have excess business holdings in 2011 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 2011.)*	N/A	3b		
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 2011?		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)? ☐ 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 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.

(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
SARA RANSFORD 1150 RIVER DRIVE ASPEN, CO 81611	PRESIDENT 2.00	0.	0.	0.

2 Compensation of five highest-paid employees (other than those included on line 1). 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 ▶ 0

Part VIII **Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors** *(continued)*

3 Five highest-paid independent contractors for professional services. 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 ▶		0

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**

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 instructions	
3	
Total. Add lines 1 through 3 ▶	0.

Part X Minimum Investment Return (All domestic foundations must complete this part Foreign foundations, see 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	3,675,825.
b	Average of monthly cash balances		1b	83,102.
c	Fair market value of all other assets		1c	
d	**Total** (add lines 1a, b, and c)		1d	3,758,927.
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	3,758,927.
4	Cash deemed held for charitable activities Enter 1 1/2% of line 3 (for greater amount, see instructions)		4	56,384.
5	**Net value of noncharitable-use assets.** Subtract line 4 from line 3 Enter here and on Part V, line 4		5	3,702,543.
6	**Minimum investment return.** Enter 5% of line 5		6	185,127.

Part XI Distributable Amount (see 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	185,127.
2a	Tax on investment income for 2011 from Part VI, line 5	2a 5,792.		
b	Income tax for 2011 (This does not include the tax from Part VI)	2b		
c	Add lines 2a and 2b		2c	5,792.
3	Distributable amount before adjustments Subtract line 2c from line 1		3	179,335.
4	Recoveries of amounts treated as qualifying distributions		4	0.
5	Add lines 3 and 4		5	179,335.
6	Deduction from distributable amount (see instructions)		6	0.
7	**Distributable amount** as adjusted Subtract line 6 from line 5 Enter here and on Part XIII, line 1		7	179,335.

Part XII Qualifying Distributions (see instructions)

1	Amounts paid (including administrative expenses) to accomplish charitable, etc , purposes		
a	Expenses, contributions, gifts, etc - total from Part I, column (d), line 26	1a	139,489.
b	Program-related investments - total from Part IX-B	1b	0.
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	139,489.
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	5	0.
6	**Adjusted qualifying distributions.** Subtract line 5 from line 4	6	139,489.

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 instructions)

	(a) Corpus	(b) Years prior to 2010	(c) 2010	(d) 2011
1 Distributable amount for 2011 from Part XI, line 7				179,335.
2 Undistributed income, if any, as of the end of 2011				
a Enter amount for 2010 only			0.	
b Total for prior years ____, ____, ____		0.		
3 Excess distributions carryover, if any, to 2011				
a From 2006 154,165.				
b From 2007 20,099.				
c From 2008 46,686.				
d From 2009				
e From 2010 1,438.				
f Total of lines 3a through e	222,388.			
4 Qualifying distributions for 2011 from Part XII, line 4 ▶ $ 139,489.				
a Applied to 2010, but not more than line 2a			0.	
b Applied to undistributed income of prior years (Election required - see instructions)		0.		
c Treated as distributions out of corpus (Election required - see instructions)	0.			
d Applied to 2011 distributable amount				139,489.
e Remaining amount distributed out of corpus	0.			
5 Excess distributions carryover applied to 2011 (If an amount appears in column (d), the same amount must be shown in column (a))	39,846.			39,846.
6 Enter the net total of each column as indicated below:				
a Corpus Add lines 3f, 4c, and 4e Subtract line 5	182,542.			
b Prior years' undistributed income Subtract line 4b from line 2b		0.		
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		0.		
d Subtract line 6c from line 6b Taxable amount - see instructions		0.		
e Undistributed income for 2010 Subtract line 4a from line 2a Taxable amount - see instr			0.	
f Undistributed income for 2011 Subtract lines 4d and 5 from line 1 This amount must be distributed in 2012				0.
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3)	0.			
8 Excess distributions carryover from 2006 not applied on line 5 or line 7	114,319.			
9 Excess distributions carryover to 2012. Subtract lines 7 and 8 from line 6a	68,223.			
10 Analysis of line 9				
a Excess from 2007 20,099.				
b Excess from 2008 46,686.				
c Excess from 2009				
d Excess from 2010 1,438.				
e Excess from 2011				

Part XIV Private Operating Foundations (see instructions and Part VII-A, question 9) N/A

1 a If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 2011, 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			
	(a) 2011	(b) 2010	(c) 2009	(d) 2008	(e) Total
2 a 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 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))

SARA RANSFORD

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

None

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

Check here ▶ [X] 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 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

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

c Any submission deadlines

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

Part XV Supplementary Information (continued)

3 Grants and Contributions Paid During the Year or Approved for Future Payment

Recipient: Name and address (home or business)	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
a Paid during the year				
SEE ATTACHED	NONE	PUBLIC CHARITIES	SEE LINE 2(D), PART XV	139,489.
Total			▶ 3a	139,489.
b Approved for future payment				
None				
Total			▶ 3b	0.

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated	Unrelated business income (a) Business code	Unrelated business income (b) Amount	Excluded by section 512, 513, or 514 (c) Exclusion code	Excluded by section 512, 513, or 514 (d) Amount	(e) Related or exempt function income
1 Program service revenue					
a					
b					
c					
d					
e					
f					
g Fees and contracts from government agencies					
2 Membership dues and assessments					
3 Interest on savings and temporary cash investments			14	765.	
4 Dividends and interest from securities			14	81,702.	
5 Net rental income or (loss) from real estate					
a Debt-financed property					
b Not debt-financed property					
6 Net rental income or (loss) from personal property					
7 Other investment income					
8 Gain or (loss) from sales of assets other than inventory			14	234,047.	
9 Net income or (loss) from special events					
10 Gross profit or (loss) from sales of inventory					
11 Other revenue					
a					
b					
c					
d					
e					
12 Subtotal Add columns (b), (d), and (e)		0.		316,514.	0.

13 Total. Add line 12, columns (b), (d), and (e) 13 316,514.

(See worksheet in line 13 instructions to verify calculations)

Part XVI-B Relationship of Activities to the Accomplishment of Exempt Purposes

Line No. ▼	Explain below how each activity for which income is reported in column (e) of Part XVI-A contributed importantly to the accomplishment of the foundation's exempt purposes (other than by providing funds for such purposes)

Part XVII Information Regarding Transfers To and Transactions and Relationships With Noncharitable Exempt Organizations

			Yes	No
1	Did the organization directly or indirectly engage in any of the following with any other organization described in section 501(c) of the Code (other than section 501(c)(3) organizations) or in section 527, relating to political organizations?			
a	Transfers from the reporting foundation to a noncharitable exempt organization of			
	(1) Cash	1a(1)		X
	(2) Other assets	1a(2)		X
b	Other transactions			
	(1) Sales of assets to a noncharitable exempt organization	1b(1)		X
	(2) Purchases of assets from a noncharitable exempt organization	1b(2)		X
	(3) Rental of facilities, equipment, or other assets	1b(3)		X
	(4) Reimbursement arrangements	1b(4)		X
	(5) Loans or loan guarantees	1b(5)		X
	(6) Performance of services or membership or fundraising solicitations	1b(6)		X
c	Sharing of facilities, equipment, mailing lists, other assets, or paid employees	1c		X

d If the answer to any of the above is "Yes," complete the following schedule Column (b) should always show the fair market value of the goods, other assets, or services given by the reporting foundation If the foundation received less than fair market value in any transaction or sharing arrangement, show in column (d) the value of the goods, other assets, or services received

(a) Line no	(b) Amount involved	(c) Name of noncharitable exempt organization	(d) Description of transfers, transactions, and sharing arrangements
		N/A	

2a Is the foundation directly or indirectly affiliated with, or related to, one or more tax-exempt organizations described in section 501(c) of the Code (other than section 501(c)(3)) or in section 527? ☐ Yes ☒ No

b If "Yes," complete the following schedule

(a) Name of organization	(b) Type of organization	(c) Description of relationship
N/A		

Sign Here

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

Sara Ransford | 5/31/12 | President

Signature of officer or trustee | Date | Title

May the IRS discuss this return with the preparer shown below (see instr)? ☒ Yes ☐ No

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check ☒ if self-employed	PTIN
TIM HERREID CPA		05/29/12		P00213187

Firm's name ▶ TIM HERREID CPA PC — Firm's EIN ▶ 84-1178341

Firm's address ▶ 117 S. SPRING STREET ASPEN, CO 81611 — Phone no 9709252824

Form 990-PF	Other Investments	Statement 10

Description	Valuation Method	Book Value
AMERICAN FUNDS	Cost	0.
Total to Form 990-PF, Part II, line 13		0.

Form 990-PF Interest on Savings and Temporary Cash Investments Statement 1

Source	Amount
CHARLES SCHWAB	494.
CHARLES SCHWAB ACCRUED INTEREST PAID	-247.
COMMUNITY BANKS OF COLORADO	24.
MORGAN STANLEY SMITH BARNEY	494.
Total to Form 990-PF, Part I, line 3, Column A	765.

Form 990-PF Dividends and Interest from Securities Statement 2

Source	Gross Amount	Capital Gains Dividends	Column (A) Amount
CHARLES SCHWAB	44,689.	9,965.	34,724.
MORGAN STANLEY SMITH BARNEY	7,116.	0.	7,116.
PERSHING	39,644.	0.	39,644.
VANGUARD	956.	738.	218.
Total to Fm 990-PF, Part I, ln 4	92,405.	10,703.	81,702.

Form 990-PF Accounting Fees Statement 3

Description	(a) Expenses Per Books	(b) Net Invest- ment Income	(c) Adjusted Net Income	(d) Charitable Purposes
ACCOUNTING	1,169.	0.		0.
To Form 990-PF, Pg 1, ln 16b	1,169.	0.		0.

Form 990-PF	Taxes	Statement 4

Description	(a) Expenses Per Books	(b) Net Investment Income	(c) Adjusted Net Income	(d) Charitable Purposes
FOREIGN TAXES	3,100.	3,100.		0.
FEDERAL TAXES	1,053.	1,053.		0.
FOREIGN FEES	87.	87.		0.
To Form 990-PF, Pg 1, ln 18	4,240.	4,240.		0.

Form 990-PF	Other Expenses	Statement 5

Description	(a) Expenses Per Books	(b) Net Investment Income	(c) Adjusted Net Income	(d) Charitable Purposes
INVESETMENT MANAGEMENT FEES	20,611.	20,611.		0.
LICENSES AND PERMITS	10.	0.		0.
ACCOUNT TRANSFER FEE	190.	0.		0.
COMPUTER	99.	0.		0.
To Form 990-PF, Pg 1, ln 23	20,910.	20,611.		0.

Form 990-PF	Other Increases in Net Assets or Fund Balances	Statement 6

Description	Amount
ADJUSTMENT TO COST BASIS OF SECURITIES	17,319.
Total to Form 990-PF, Part III, line 3	17,319.

Form 990-PF U.S. and State/City Government Obligations Statement 7

Description	U.S. Gov't	Other Gov't	Book Value	Fair Market Value
CHARLES SCHWAB GOV'T BONDS	X		50,668.	48,191.
Total U.S. Government Obligations			50,668.	48,191.
Total State and Municipal Government Obligations				
Total to Form 990-PF, Part II, line 10a			50,668.	48,191.

Form 990-PF Corporate Stock Statement 8

Description	Book Value	Fair Market Value
HYPERCAR, INC	109,053.	3,895.
SENDMAIL - SER C-1	166,669.	1,877.
SENDMAIL - SER E	58,170.	2,620.
BRANDYWINE FUND	0.	0.
BRIDGEWAY	0.	0.
PERSHING PORTFOLIO	887,503.	1,650,443.
MORGAN STANLEY, SB S & p MIDCAP 400	0.	0.
CHARLES SCHWAB	985,345.	836,350.
CHARLES SCHWAB MUTUAL FUNDS	643,185.	579,032.
Total to Form 990-PF, Part II, line 10b	2,849,925.	3,074,217.

Form 990-PF Corporate Bonds Statement 9

Description	Book Value	Fair Market Value
MORGAN STANLEY, SB - BOND FUNDS	0.	0.
MORGAN STANLEY, SB - CORPORATE BONDS	0.	0.
CHARLES SCHWAB FIXED INCOME	341,444.	327,763.
Total to Form 990-PF, Part II, line 10c	341,444.	327,763.

Arches Foundation
Contributions for 2011

Alliance Of Artists Communities 255 South Main Street Providence, RI 02903	500 00
American Whitewater P O Box 1540 Cullowhee, NC 28723	250 00
Anderson Ranch Arts Center PO Box 5598 Snowmass Village, CO 81615	11,811.29
Aspen Center For Environmental Studies 100 Puppy Smith Aspen, CO 81611	750.00
Aspen Community Foundation 110 East Hallam Street, Suite 126 Aspen, CO 81611	8,600.00
Aspen Education Foundation P.O. Box 2200 Aspen, CO 81612	5,000.00
Aspen Institute 1000 North Third Street Aspen, CO 81611	750 00
Aspen Valley Ski/Snowboard Club 300 AVSC Drive Aspen, CO 81611	43,000 00
Carbondale Clay Center 135 Main Street Carbondale, CO 81623	6,500.00
Carbondale Council On Arts & Humanities 520 South Third Street, #9 Carbondale, CO 81623	1,000.00
Colorado Conservation Trust 1551 Ogden Street Denver, CO 80218	500.00
Colorado Public Radio 7409 South Alton Court Centennial, CO 80112	1,000.00
Common Cause Education Fund 1133 19th Street, NW, 9th Floor Washington, DC 20036	500.00
Doctors Without Borders USA 333 7th Avenue, 2nd Floor New York, NY 10001-5004	750 00
Global Greengrants Fund 2840 Wilderness Place, Suite A Boulder, CO 80301	2,000.00
Grand Canyon Private Boaters Association 809 W Riordan Road, Suite 100, #431 Flagstaff, AZ 86001	250.00
Heifer International 1 World Avenue Little Rock, AR 72203	400.00
High Country Foundation P.O Box 1090 Paonia, CO 81428	250.00
Hike for Hope 936 W Francis Street Aspen, CO 81611	500.00
KAJX Aspen Public Radio 110 East Hallam, Suite 134 Aspen, CO 81611	1,000 00
Manaus Found P.O Box 2026 Carbondale, CO 81623	1,000 00
Media Matters P.M B. 512 Washington, DC 20001	1,500.00
Mesa Land Trust 1006 Main Street Grand Junction, CO 81501	500.00
National Soccer Academy 26230 County Road 97 Davis, CA 95616	250.00

Total this page 88,561.29

Native American Rights Foundation 1506 Broadway Boulder, CO 80302	250.00
Natural Resource Defense Council 40 West 20th Street New York, NY 10011	500.00
NPR Foundation Dept. 6054 Washington, DC 20042-6054	1,000.00
Oregon Shakespeare Festival P O Box 158 Ashland, OR 97520-9942	250.00
Planned Parenthood - Colorado 7155 East 38th Avenue Denver, CO 80207	1,000.00
Public Counsel of the Rockies The Benedict Building 1280 Ute Avenue, Suite 4 Aspen, CO 81611	1,000.00
Red Brick Center For The Arts 110 E. Hallam Street Aspen, CO 81611	1,577 50
Roaring Fork Conservancy P.O Box 3349 Basalt, CO 81621	1,000.00
Rocky Mountain Institute 2317 Snowmass Creek Road Snowmass, CO 81654	7,000 00
Southern Utah Wilderness Society 425 E. 100 South Salt Lake City, UT 84111-1801	2,500.00
St Jude Children's Research Hospital 501 St Jude Place Memphis, TN 38105	1,000.00
Susan G Komen Breast Cancer P.O. Box 4810 Aspen, CO 81612	600.00
The Art Center 1803 North 7th Street Grand Junction, CO 81501	1,000.00
Union of Concerned Scientists, Inc. Two Brattle Square Cambridge, MA 02238	10,000 00
Western Colorado Congress P.O. Box 1931 Grand Junction, CO 81502-1931	4,000.00
Western Resource Advocates 2260 Baseline Road, Suite 200 Boulder, CO 80302	7,000 00
Western Rivers Institute P O. Box 1029 Carbondale, CO 81623	10,000.00
Wilderness Workshop P.O. Box 1442 Carbondale, CO 81623	1,250 00

Total This page 50,927.50

Grand total 139,488.79

Capital Gains - Last year

1/1/2011 through 12/31/2011

5/23/2012

Account	Security	Shares	Bought	Sold	Gross Proceeds	Cost Basis	Realized ..
SHORT TERM							
Pershing	Bershire Hathaway B	50.000	7/30/2010	2/8/2011	4,153 48	3,930.67	222.81
TOTAL SHORT TERM					**4,153.48**	**3,930.67**	**222.81**
LONG TERM							
Pershing	British American Tob ..	509 860	12/3/1998	1/1/2011	4,448.47	4,448.47	0.00
Pershing	British American Tob ..	101 483	8/22/2002	1/1/2011	1,209.69	1,209 69	0.00
Pershing	British American Tob ..	305 672	4/10/2003	1/1/2011	2,535 92	2,535.92	0 00
Pershing	British American Tob...	59.985	10/7/2008	1/1/2011	1,443.32	1,443.32	0.00
Pershing	Comcast Corp	26 500	11/28/2005	4/8/2011	625 12	471.88	153 24
Pershing	Comcast Corp	36 000	1/12/2006	4/8/2011	849.21	645.80	203.41
Pershing	Comcast Corp	112.500	3/2/2006	4/8/2011	2,653.79	2,010.75	643.04
Pershing	Scripps Networks	25.000	4/1/1997	4/8/2011	1,269.54	385.44	884.10
Pershing	Scripps Networks	66.000	1/28/2000	4/8/2011	3,351.59	1,469.09	1,882.50
Pershing	Scripps Networks	9.000	6/30/2000	4/8/2011	457.03	206.45	250.58
Pershing	Washington Post	6.000	5/2/2001	4/8/2011	2,643.46	3,537.00	-893.54
Pershing	Comcast Corp	75.000	11/28/2005	4/14/2011	1,733.92	1,335.50	398 42
Pershing	Comcast Corp	376.500	11/5/2002	10/7/2011	7,684.55	6,609.73	1,074.82
Pershing	Comcast Corp	48.500	11/28/2005	10/7/2011	989.91	863.62	126.29
Pershing	Comcast Corp	123 000	11/5/2002	11/1/2011	2,944.67	2,159.36	785.31
Pershing	Comcast Corp	177 000	10/23/2008	11/1/2011	4,237.46	2,756 03	1,481.43
TOTAL LONG TERM					**39,077.65**	**32,088.05**	**6,989.60**
OVERALL TOTAL					**43,231.13**	**36,018.72**	**7,212.41**

Pershing

2011 Year-End Schwab Gain/Loss Report

Realized Gain or (Loss)

Accounting Method: Tax Lot Optimizer ™

Short-Term	Quantity/Par	Acquired/ Opened	Sold/ Closed	Total Proceeds	Cost Basis	Realized Gain or (Loss)
AMERICAN FD EUROPACIFIC GWTH FD CL A: AEPGX	134.7930	12/27/10	06/07/11	$5,827.10	$5,521.11 [a]	$305.99
Security Subtotal				**$5,827.10**	**$5,521.11**	**$305.99**
AMERICAN FD GROWTH FD OF AMERICA CL A: AGTHX	60.5710	12/21/10	04/27/11	$1,981.29	$1,837.73 [a]	$143.56
Security Subtotal				**$1,981.29**	**$1,837.73**	**$143.56**
AMSURG CORP: AMSG	40.0000	04/29/11	10/07/11	$918 96	$1,077.06	($158.10)
AMSURG CORP: AMSG	40.0000	04/29/11	10/07/11	$918.74	$1,077.06	($158 32)
AMSURG CORP· AMSG	60.0000	04/29/11	10/07/11	$1,378.35	$1,615.59	($237.24)
AMSURG CORP: AMSG	60.0000	04/29/11	10/07/11	$1,378.45	$1,615.60	($237.15)
AMSURG CORP: AMSG	100.0000	04/29/11	10/07/11	$2,297.26	$2,688.72	($391 46)
AMSURG CORP: AMSG	100.0000	04/29/11	10/07/11	$2,297 26	$2,692.63	($395.37)
AMSURG CORP: AMSG	100.0000	04/29/11	10/07/11	$2,296.66	$2,692.66	($396 00)
AMSURG CORP: AMSG	140 0000	04/29/11	10/07/11	$3,216.16	$3,764.11	($547 95)
Security Subtotal				**$14,701.84**	**$17,223.43**	**($2,521.59)**

...se see "E...notes for Your Account" section for an explanation of the endnote codes and symb... on this report

CG1C1801-003609 306076

charles SCHWAB INSTITUTIONAL

Schwab One® Account of
THE ARCHES FOUNDATION

Account Number
5890-4504

Report Period
April 8 - December 31, 2011

2011 Year-End Schwab Gain/Loss Report

Realized Gain or (Loss) (continued)

Accounting Method: Tax Lot Optimizer ™

Short-Term (continued)	Quantity/Par	Acquired/ Opened	Sold/ Closed	Total Proceeds	Cost Basis	Realized Gain or (Loss)
BERKSHIRE HATHAWAY B NEWCLASS B BRKB	40.0000	04/29/11	10/07/11	$2,919 73	$3,341.70	($421.97)
BERKSHIRE HATHAWAY B NEWCLASS B: BRKB	40.0000	04/29/11	10/07/11	$2,919.73	$3,341.70	($421.97)
BERKSHIRE HATHAWAY B NEWCLASS B: BRKB	160.0000	04/29/11	10/07/11	$11,678 93	$13,366.81	($1,687.88)
Security Subtotal				**$17,518.39**	**$20,050.21**	**($2,531.82)**
BHP BILLITON LTD ADR FSPONSORED ADR 1 ADR REP 2: BHP	15.0000	04/29/11	08/12/11	$1,214.41	$1,516.93	($302 52)
BHP BILLITON LTD ADR FSPONSORED ADR 1 ADR REP 2: BHP	20.0000	04/29/11	08/12/11	$1,619.21	$2,022.55	($403 34)
BHP BILLITON LTD ADR FSPONSORED ADR 1 ADR REP 2. BHP	100.0000	04/29/11	08/12/11	$8,096.03	$10,112 79	($2,016 76)
BHP BILLITON LTD ADR FSPONSORED ADR 1 ADR REP 2: BHP	100.0000	04/29/11	08/12/11	$8,096.03	$10,112.83	($2,016.80)
BHP BILLITON LTD ADR FSPONSORED ADR 1 ADR REP 2: BHP	80.0000	04/29/11	09/23/11	$5,436.49	$8,090.19	($2,653 70)

- Please see "Endnotes for Your Account" section for an explanation of the endnote codes and symbols on this report

2011 Year-End Schwab Gain/Loss Report

Realized Gain or (Loss) (continued)

Accounting Method: Tax Lot Optimizer ™

Short-Term (continued)	Quantity/Par	Acquired/ Opened	Sold/ Closed	Total Proceeds	Cost Basis	Realized Gain or (Loss)
BHP BILLITON LTD ADR FSPONSORED ADR 1 ADR REP 2: BHP	160.0000	06/07/11	09/23/11	$10,872.98	$14,995.83	($4,122 85)
Security Subtotal				**$35,335.15**	**$46,851.12**	**($11,515.97)**
BRIDGEWAY ULTRA SMALL COMPANY MARKET FUND: BRSIX	162.8120	12/14/10	04/28/11	$2,597.97	$2,342.87 [a]	$255 10
Security Subtotal				**$2,597.97**	**$2,342.87**	**$255.10**
CANADIAN OIL SANDS LTD F: COSWF	200.0000	04/29/11	05/05/11	$6,239.99	$6,901.89	($661.90)
CANADIAN OIL SANDS LTD F: COSWF	745.0000	04/29/11	05/05/11	$23,243.94	$25,709.56	($2,465.62)
Security Subtotal				**$29,483.93**	**$32,611.45**	**($3,127.52)**
CME GROUP INC CL A CLASS A: CME	5.0000	04/29/11	09/23/11	$1,292.29	$1,487.28	($194.99)
CME GROUP INC CL A CLASS A: CME	100.0000	04/29/11	09/23/11	$25,845 72	$29,744.52	($3,898.80)
CME GROUP INC CL A CLASS A: CME	60.0000	06/07/11	09/23/11	$15,507.43	$16,106.35	($598.92)
Security Subtotal				**$42,645.44**	**$47,338.15**	**($4,692.71)**
FREEPORT MCMORAN COPPER: FCX	100.0000	04/29/11	10/07/11	$3,472.14	$5,484.57	($2,012.43)
FREEPORT MCMORAN COPPER: FCX	100.0000	04/29/11	10/07/11	$3,472.15	$5,484.57	($2,012.42)

Please see "Endnotes for Your Account" section for an explanation of the endnote codes and symbols on this report

2011 Year-End Schwab Gain/Loss Report

Realized Gain or (Loss) (continued)

Accounting Method: Tax Lot Optimizer ™

Short-Term (continued)	Quantity/Par	Acquired/ Opened	Sold/ Closed	Total Proceeds	Cost Basis	Realized Gain or (Loss)
FREEPORT MCMORAN COPPER: FCX	100 0000	04/29/11	10/07/11	$3,472 15	$5,484.57	($2,012 42)
Security Subtotal				**$10,416.44**	**$16,453.71**	**($6,037.27)**
LORD ABBETT BOND DEBENTURE FUND CLASS A: LBNDX	303.2510	multiple	06/07/11	$2,435 11	$2,441.85	($6.74)
Security Subtotal				**$2,435.11**	**$2,441.85**	**($6.74)**
MATTHEWS ASIAN GROWTH & INCOME FUND INV CLASS: MACSX	636.5370	04/29/11	10/07/11	$10,000 00	$11,884.15	($1,884.15)
Security Subtotal				**$10,000.00**	**$11,884.15**	**($1,884.15)**
OPPENHEIMER DEVELOPING MKTS FD CL A: ODMAX	839.3360	04/29/11	08/11/11	$26,800.00	$31,407.96	($4,607 96)
OPPENHEIMER DEVELOPING MKTS FD CL A: ODMAX	1,699.4130	04/29/11	09/23/11	$49,045.06	$63,592.04	($14,546 98)
Security Subtotal				**$75,845.06**	**$95,000.00**	**($19,154.94)**
POTASH CORP SASK INC F: POT	20.0000	04/29/11	09/23/11	$927.52	$1,113.74	($186.22)
POTASH CORP SASK INC F: POT	100.0000	04/29/11	09/23/11	$4,637 59	$5,568.69	($931.10)
POTASH CORP SASK INC F: POT	100.0000	04/29/11	09/23/11	$4,637.59	$5,569.69	($932 10)

Please see "Endnotes for Your Account" section for an explanation of the endnote codes and symbols on this report

2011 Year-End Schwab Gain/Loss Report

Realized Gain or (Loss) (continued)

Accounting Method: Tax Lot Optimizer ™

Short-Term (continued)	Quantity/Par	Acquired/ Opened	Sold/ Closed	Total Proceeds	Cost Basis	Realized Gain or (Loss)
POTASH CORP SASK INC F: POT	340.0000	04/29/11	09/23/11	$15,767.82	$18,936.56	($3,168.74)
Security Subtotal				**$25,970.52**	**$31,188.68**	**($5,218.16)**
POTLATCH CORPORATION NEW: PCH	100.0000	04/29/11	09/23/11	$3,054.77	$3,914.00	($859.23)
POTLATCH CORPORATION NEW. PCH	100.0000	04/29/11	09/23/11	$3,054.77	$3,914.00	($859 23)
POTLATCH CORPORATION NEW: PCH	115.0000	04/29/11	09/23/11	$3,512.99	$4,501.10	($988.11)
POTLATCH CORPORATION NEW. PCH	500 0000	04/29/11	09/23/11	$15,273 85	$19,561.49	($4,287.64)
POTLATCH CORPORATION NEW: PCH	45.0000	06/07/11	09/23/11	$1,374.65	$1,598.86	($224.21)
POTLATCH CORPORATION NEW: PCH	100 0000	06/07/11	09/23/11	$3,054.77	$3,553.01	($498 24)
POTLATCH CORPORATION NEW: PCH	100.0000	06/07/11	09/23/11	$3,054.77	$3,553.01	($498.24)
POTLATCH CORPORATION NEW: PCH	100.0000	06/07/11	09/23/11	$3,054.77	$3,553.01	($498.24)
POTLATCH CORPORATION NEW: PCH	100.0000	06/07/11	09/23/11	$3,054.77	$3,553.01	($498.24)
Security Subtotal				**$38,490.11**	**$47,701.49**	**($9,211.38)**
RALCORP HOLDINGS INC NEW: RAH	440.0000	04/29/11	05/05/11	$39,309.32	$33,672.47	$5,636.85
Security Subtotal				**$39,309.32**	**$33,672.47**	**$5,636.85**

2011 Year-End Schwab Gain/Loss Report

Realized Gain or (Loss) (continued)

Accounting Method: Tax Lot Optimizer ™

Short-Term (continued)	Quantity/Par	Acquired/ Opened	Sold/ Closed	Total Proceeds	Cost Basis	Realized Gain or (Loss)
SPDR GOLD TRUST SPDR GOLD SHARES: GLD	130 0000	04/29/11	11/01/11	$21,551 49	$19,623.79	$1,927 70
Security Subtotal				**$21,551.49**	**$19,623.79**	**$1,927.70**
SUNCOR ENERGY INC NEW F: SU	100.0000	04/29/11	05/05/11	$4,088 48	$4,524.55	($436.07)
SUNCOR ENERGY INC NEW F: SU	100.0000	04/29/11	05/05/11	$4,088.49	$4,524.59	($436.10)
SUNCOR ENERGY INC NEW F: SU	100.0000	04/29/11	05/05/11	$4,088 49	$4,524.59	($436.10)
SUNCOR ENERGY INC NEW F: SU	100.0000	04/29/11	05/05/11	$4,088.49	$4,524 60	($436 11)
SUNCOR ENERGY INC NEW F: SU	1,010.0000	04/29/11	05/05/11	$41,293.71	$45,696.79	($4,403.08)
Security Subtotal				**$57,647.66**	**$63,795.12**	**($6,147.46)**
TOCQUEVILLE GOLD FUND: TGLDX	198.5180	04/29/11	10/07/11	$15,000.00	$17,981.75	($2,981.75)
Security Subtotal				**$15,000.00**	**$17,981.75**	**($2,981.75)**
VANGUARD HEALTH CARE FD ADMIRAL SHARE: VGHAX	92.5940	multiple	04/28/11	$5,359 27	$4,817.05 [a]	$542.22
Security Subtotal				**$5,359.27**	**$4,817.05**	**$542.22**

Please see "Endnotes for Your Account" section for an explanation of the endnote codes and symbols on this report

2011 Year-End Schwab Gain/Loss Report

Realized Gain or (Loss) (continued)

Accounting Method: Tax Lot Optimizer ™

Short-Term (continued)	Quantity/Par	Acquired/ Opened	Sold/ Closed	Total Proceeds	Cost Basis	Realized Gain or (Loss)
VANGUARD PRIMECAP FUND ADMIRAL SHARE: VPMAX	36.3080	multiple	04/28/11	$2,694.88	$2,533.78 [a]	$161.10
Security Subtotal				**$2,694.88**	**$2,533.78**	**$161.10**
WINTERGREEN FUND: WGRNX	1,902.5880	04/29/11	10/07/11	$25,000.00	$28,291.48	($3,291.48)
Security Subtotal				**$25,000.00**	**$28,291.48**	**($3,291.48)**
Total Short-Term				**$479,810.97**	**$549,161.39**	**($69,350.42)**

Long-Term	Quantity/Par	Acquired/ Opened	Sold/ Closed	Total Proceeds	Cost Basis	Realized Gain or (Loss)
AMERICAN FD EUROPACIFIC GWTH FD CL A: AEPGX	8,317.4710	multiple	06/07/11	$359,564.27	$341,986.60 [a]	$17,577.67
Security Subtotal				**$359,564.27**	**$341,986.60**	**$17,577.67**
AMERICAN FD GROWTH FD OF AMERICA CL A: AGTHX	7,500.9310	multiple	04/27/11	$245,355.44	$216,829.54 [a]	$28,525 90
Security Subtotal				**$245,355.44**	**$216,829.54**	**$28,525.90**
BRANDYWINE FUND: BRWIX	1,461.5480	multiple	04/27/11	$43,767.26	$34,853.55 [a]	$8,913 71
Security Subtotal				**$43,767.26**	**$34,853.55**	**$8,913.71**

Please see "Endnotes for Your Account" section for an explanation of the endnote codes and symbols on this report

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Schwab One® Account of
THE ARCHES FOUNDATION

Account Number
5890-4504

Report Period
April 8 - December 31, 2011

2011 Year-End Schwab Gain/Loss Report

Realized Gain or (Loss) (continued)

Accounting Method: Tax Lot Optimizer ™

Long-Term (continued)	Quantity/Par	Acquired/ Opened	Sold/ Closed	Total Proceeds	Cost Basis	Realized Gain or (Loss)
BRIDGEWAY ULTRA SMALL COMPANY MARKET FUND: BRSIX	15,966.1160	multiple	04/28/11	$254,769.77	$246,131.68 [a]	$8,638.09
Security Subtotal				**$254,769.77**	**$246,131.68**	**$8,638.09**
HARTFORD CAPITAL APPR FUND CLASS A: ITHAX	4,896.4470	multiple	04/27/11	$177,496 20	$197,687 01 [t]	($20,190.81)
Security Subtotal				**$177,496.20**	**$197,687.01**	**($20,190.81)**
HOUSEHOLD FIN CO 6.05%11FR DUE 10/15/11: 44181EDM7	4,000.0000	05/04/04	10/15/11	$4,000 00	$4,210.95 [t]	($210 95)
Security Subtotal				**$4,000.00**	**$4,210.95**	**($210.95)**
ISHARES MSCI EMRG MKT FDEMERGING MARKETS INDX FD: EEM	360.0000	05/17/04	04/27/11	$17,966.16	$5,758.11 [t]	$12,208 05
ISHARES MSCI EMRG MKT FDEMERGING MARKETS INDX FD· EEM	2,580.0000	06/10/04	04/27/11	$128,757.47	$45,494 50 [t]	$83,262.97
Security Subtotal				**$146,723.63**	**$51,252.61**	**$95,471.02**
LORD ABBETT BOND DEBENTURE FUND CLASS A: LBNDX	32,075.3290	multiple	06/07/11	$257,564.89	$256,734 86 [t]	$830 03
Security Subtotal				**$257,564.89**	**$256,734.86**	**$830.03**

Please see "Endnotes for Your Account" section for an explanation of the endnote codes and symbols on this report

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2011 Year-End Schwab Gain/Loss Report

Realized Gain or (Loss) (continued)

Accounting Method: Tax Lot Optimizer ™

Long-Term (continued)	Quantity/Par	Acquired/ Opened	Sold/ Closed	Total Proceeds	Cost Basis	Realized Gain or (Loss)
PROTECTIVE LIFE 7.45XXX**MATURED** DUE 08/01/11: 743674AC7	10,000.0000	06/10/04	08/01/11	$10,000.00	$11,142.45 [t]	($1,142.45)
Security Subtotal				**$10,000.00**	**$11,142.45**	**($1,142.45)**
SPDR S&P MIDCAP 400 ETF: MDY	615.0000	03/15/04	04/27/11	$112,522.06	$66,761.60 [t]	$45,760.46
SPDR S&P MIDCAP 400 ETF: MDY	625.0000	04/29/04	04/27/11	$114,351.68	$68,030.09 [t]	$46,321.59
SPDR S&P MIDCAP 400 ETF. MDY	625 0000	05/07/04	04/27/11	$114,351.68	$66,450.17 [t]	$47,901.51
Security Subtotal				**$341,225.42**	**$201,241.86**	**$139,983.56**
VANGUARD HEALTH CARE FD ADMIRAL SHARE: VGHAX	2,291.4810	multiple	04/28/11	$132,628.72	$133,406.54 [a]	($777.82)
Security Subtotal				**$132,628.72**	**$133,406.54**	**($777.82)**

charles SCHWAB INSTITUTIONAL

Schwab One® Account of
THE ARCHES FOUNDATION

Account Number 5890-4504

Report Period April 8 - December 31, 2011

2011 Year-End Schwab Gain/Loss Report

Realized Gain or (Loss) (continued)

Accounting Method. Tax Lot Optimizer ™

Long-Term (continued)	Quantity/Par	Acquired/ Opened	Sold/ Closed	Total Proceeds	Cost Basis	Realized Gain or (Loss)
VANGUARD PRIMECAP FUND ADMIRAL SHARE: VPMAX	1,772 4870	multiple	04/28/11	$131,558.20	$123,694.23 [a]	$7,863.97
Security Subtotal				**$131,558.20**	**$123,694.23**	**$7,863.97**
Total Long-Term				**$2,104,653.80**	**$1,819,171.88**	**$285,481.92** 18
Total Realized Gain or (Loss)				**$2,584,464.77**	**$2,368,333.27**	**$216,131.50** 18

Schwab has provided realized gain and loss information wherever possible for most investments. Cost basis data may be incomplete or unavailable for some of your holdings See Terms and Conditions.
Option Customers. Realized gain/loss of underlying securities is adjusted to reflect the premiums of assigned or exercised options Please consult IRS publication 550, Investment Income and Expenses, for additional information on Options

Endnotes For Your Account

Symbol	Endnote Legend
a	Data for this holding has been edited or provided by the advisor.
t	Data for this holding has been edited or provided by a third party.