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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

2012

Open to public inspection

For calendar year 2012 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		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 ☐ Final return ☐ Address change ☐ Initial return of a former public charity ☐ Amended return ☐ 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) \$ 3,930,289. (Part I, column (d) must be on cash basis.)	J Accounting method ☒ Cash ☐ Accrual ☐ Other (specify) _____	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).)		(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				N/A	
2 Check ☒ if the foundation is not required to attach Sch. B					
3 Interest on savings and temporary cash investments		1,875.	1,875.		Statement 1
4 Dividends and interest from securities		90,557.	90,557.		Statement 2
5a Gross rents					
b Net rental income or (loss)					
6a Net gain or (loss) from sale of assets not on line 10		31,905.			
b Gross sales price for all assets on line 6a 1,188,828.					
7 Capital gain net income (from Part IV, line 2)			31,905.		
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		124,337.	124,337.		
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		1,383.	0.		0.
c Other professional fees					
17 Interest					
18 Taxes Stmt 4		14,683.	14,683.		0.
19 Depreciation and depletion					
20 Occupancy					
21 Travel, conferences, and meetings					
22 Printing and publications					
23 Other expenses Stmt 5		28,178.	28,168.		0.
24 Total operating and administrative expenses. Add lines 13 through 23		44,244.	42,851.		0.
25 Contributions, gifts, grants paid		293,300.			293,300.
26 Total expenses and disbursements. Add lines 24 and 25		337,544.	42,851.		293,300.
27 Subtract line 26 from line 12		-213,207.			
a Excess of revenue over expenses and disbursements					
b Net investment income (if negative, enter -0-)			81,486.		
c Adjusted net income (if negative, enter -0-)				N/A	

Part II Balance Sheets

Attached schedules and amounts in the description column should be for end-of-year amounts only

		Beginning of year	End of year	
		(a) Book Value	(b) Book Value	(c) Fair Market Value
Assets	1 Cash - non-interest-bearing			
	2 Savings and temporary cash investments	76,355.	76,522.	76,522.
	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	50,668.	50,668.	48,946.
	b Investments - corporate stock Stmt 8	2,849,925.	2,627,692.	3,355,049.
	c Investments - corporate bonds Stmt 9	341,444.	450,303.	449,772.
11 Investments - land, buildings, and equipment basis ▶				
Less accumulated depreciation ▶				
12 Investments - mortgage loans				
13 Investments - other				
14 Land, buildings, and equipment basis ▶				
Less accumulated depreciation ▶				
15 Other assets (describe ▶)				
16 Total assets (to be completed by all filers)	3,318,392.	3,205,185.	3,930,289.	
Liabilities	17 Accounts payable and accrued expenses			
	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)	26,740.	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 ▶ ☒			
	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	3,291,652.	3,178,445.		
30 Total net assets or fund balances	3,291,652.	3,178,445.		
31 Total liabilities and net assets/fund balances	3,318,392.	3,205,185.		

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	3,291,652.
2 Enter amount from Part I, line 27a	2	-213,207.
3 Other increases not included in line 2 (itemize) ▶ See Statement 6	3	100,000.
4 Add lines 1, 2, and 3	4	3,178,445.
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	3,178,445.

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 PUBLICALLY TRADED SECURITIES		P		
b PUBLICALLY TRADED SECURITIES		P		
c PUBLICALLY TRADED SECURITIES		P		
d PUBLICALLY TRADED SECURITIES		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 586,474.		582,405.	4,069.
b 525,696.		533,085.	-7,389.
c 6,451.		4,871.	1,580.
d 61,068.		36,562.	24,506.
e 9,139.			9,139.

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

(i) FMV 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			4,069.
b			-7,389.
c			1,580.
d			24,506.
e			9,139.

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	31,905.
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 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))
2011	139,489.	3,702,543.	.037674
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

2 Total of line 1, column (d)	2	.246593
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	.049319
4 Enter the net value of noncharitable-use assets for 2012 from Part X, line 5	4	3,817,218.
5 Multiply line 4 by line 3	5	188,261.
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	815.
7 Add lines 5 and 6	7	189,076.
8 Enter qualifying distributions from Part XII, line 4 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	8	293,300.

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)		1	815.
b Domestic foundations that meet the section 4940(e) requirements in Part V, check here ☒ and enter 1% of Part I, line 27b			
c All other domestic foundations enter 2% of line 27b Exempt foreign organizations enter 4% of Part I, line 12, col (b)		2	0.
2 Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only Others enter -0-)		3	815.
3 Add lines 1 and 2		4	0.
4 Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only Others enter -0-)		5	815.
5 Tax based on investment income. Subtract line 4 from line 3 If zero or less, enter -0-			
6 Credits/Payments			
a 2012 estimated tax payments and 2011 overpayment credited to 2012	6a 5,800.	7	5,800.
b Exempt foreign organizations - tax withheld at source	6b	8	
c Tax paid with application for extension of time to file (Form 8868)	6c	9	
d Backup withholding erroneously withheld	6d	10	4,985.
7 Total credits and payments Add lines 6a through 6d		11	4,145.
8 Enter any penalty for underpayment of estimated tax Check here ☐ if Form 2220 is attached			
9 Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed			
10 Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid			
11 Enter the amount of line 10 to be Credited to 2013 estimated tax 840. Refunded			

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
1b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see 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 \$ 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.		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 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	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 2012 or the taxable year beginning in 2012 (see instructions for Part XIV)? 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

Form 990-PF (2012)

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 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? Website address ► N/A	13	X	
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			
16	At any time during calendar year 2012, 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? See the instructions for exceptions and filing requirements for Form TD F 90-22.1 If "Yes," enter the name of the foreign country ►	16	Yes	No X

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?	☐ 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)? Organizations relying on a current notice regarding disaster assistance check here	N/A	1b
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 2012?		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 2012, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2012? If "Yes," list the years ►	☐ Yes ☒ 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 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 2012 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 2012.)	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 2012?		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

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?

If "Yes" to 6b, file Form 8870

6b

X

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 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	3,759,838.
b	Average of monthly cash balances	1b	115,510.
c	Fair market value of all other assets	1c	
d	Total (add lines 1a, b, and c)	1d	3,875,348.
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	3,875,348.
4	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions)	4	58,130.
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	3,817,218.
6	Minimum investment return. Enter 5% of line 5	6	190,861.

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	190,861.
2a	Tax on investment income for 2012 from Part VI, line 5	2a	815.
b	Income tax for 2012 (This does not include the tax from Part VI)	2b	
c	Add lines 2a and 2b	2c	815.
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	190,046.
4	Recoveries of amounts treated as qualifying distributions	4	0.
5	Add lines 3 and 4	5	190,046.
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	190,046.

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	293,300.
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	293,300.
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	815.
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6	292,485.

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 2011	(c) 2011	(d) 2012
1 Distributable amount for 2012 from Part XI, line 7				190,046.
2 Undistributed income, if any, as of the end of 2012				
a Enter amount for 2011 only			0.	
b Total for prior years		0.		
3 Excess distributions carryover, if any, to 2012				
a From 2007	20,099.			
b From 2008	46,686.			
c From 2009				
d From 2010	1,438.			
e From 2011				
f Total of lines 3a through e	68,223.			
4 Qualifying distributions for 2012 from Part XII, line 4 ▶ \$ 293,300.				
a Applied to 2011, 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 2012 distributable amount				190,046.
e Remaining amount distributed out of corpus	103,254.			
5 Excess distributions carryover applied to 2012 (If an amount appears in column (d), the same amount must be shown in column (a).)	0.			0.
6 Enter the net total of each column as indicated below:	171,477.			
a Corpus Add lines 3f, 4c, and 4e Subtract line 5				
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 2011 Subtract line 4a from line 2a Taxable amount - see instr			0.	
f Undistributed income for 2012 Subtract lines 4d and 5 from line 1 This amount must be distributed in 2013				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 2007 not applied on line 5 or line 7	20,099.			
9 Excess distributions carryover to 2013. Subtract lines 7 and 8 from line 6a	151,378.			
10 Analysis of line 9				
a Excess from 2008	46,686.			
b Excess from 2009				
c Excess from 2010	1,438.			
d Excess from 2011				
e Excess from 2012	103,254.			

N/A

- ▶

☐ 4942(j)(3) or ☐ 4942(j)(5)

- | Tax year | Prior 3 years | | | (e) Total |
|----------|---------------|----------|----------|-----------|
| (a) 2012 | (b) 2011 | (c) 2010 | (d) 2009 | |
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Form **990-PF** (2012)

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	ORGANIZATIONS	
SEE ATTACHED		CHARITIES	DEDICATED TO	
			PRESERVING NATURAL	
			RESOURCES, PROMOTING	
			ARTS EDUCATION AND	293,300.
			<i>Civil rights</i>	
Total			3a	293,300.
b Approved for future payment				
None				
Total			3b	0.

Part XV Supplementary Information**3a Grants and Contributions Paid During the Year Continuation of Purpose of Grant or Contribution**

Name of Recipient - SEE ATTACHED

ORGANIZATIONS DEDICATED TO PRESERVING NATURAL RESOURCES, PROMOTING
ARTS, EDUCATION AND CIVIL RIGHTS.

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

Source	Amount
CHARLES SCHWAB	1,833.
COMMUNITY BANKS OF COLORADO	42.
Total to Form 990-PF, Part I, line 3, Column A	1,875.

Form 990-PF Dividends and Interest from Securities Statement 2

Source	Gross Amount	Capital Gains Dividends	Column (A) Amount
CHARLES SCHWAB	51,041.	9,139.	41,902.
PERSHING	48,655.	0.	48,655.
Total to Fm 990-PF, Part I, ln 4	99,696.	9,139.	90,557.

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	1,383.	0.		0.
To Form 990-PF, Pg 1, ln 16b	1,383.	0.		0.

Form 990-PF Taxes Statement 4

Description	(a) Expenses Per Books	(b) Net Invest- ment Income	(c) Adjusted Net Income	(d) Charitable Purposes
FOREIGN TAXES	3,981.	3,981.		0.
FEDERAL TAXES	10,503.	10,503.		0.
FOREIGN FEES	199.	199.		0.
To Form 990-PF, Pg 1, ln 18	14,683.	14,683.		0.

Form 990-PF	Other Expenses			Statement	5
Description	(a) Expenses Per Books	(b) Net Invest- ment Income	(c) Adjusted Net Income	(d) Charitable Purposes	
INVESETMENT MANAGEMENT FEES	28,168.	28,168.			0.
LICENSES AND PERMITS	10.	0.			0.
To Form 990-PF, Pg 1, ln 23	28,178.	28,168.			0.

Form 990-PF	Other Increases in Net Assets or Fund Balances	Statement	6
Description		Amount	
REFUND OF PRIOR PERIOD CONTRIBUTION		100,000.	
Total to Form 990-PF, Part III, line 3		100,000.	

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.	48,946.	
Total U.S. Government Obligations			50,668.	48,946.	
Total State and Municipal Government Obligations					
Total to Form 990-PF, Part II, line 10a			50,668.	48,946.	

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.
PERSHING PORTFOLIO			934,992.	2,044,359.
CHARLES SCHWAB			760,883.	711,494.
CHARLES SCHWAB MUTUAL FUNDS			597,925.	590,804.
Total to Form 990-PF, Part II, line 10b			2,627,692.	3,355,049.

Form 990-PF	Corporate Bonds	Statement	9
Description	Book Value	Fair Market Value	
CHARLES SCHWAB FIXED INCOME	450,303.	449,772.	
Total to Form 990-PF, Part II, line 10c	450,303.	449,772.	

Arches Foundation Contributions for 2012

5Point Film Festival P.O. Box 355 Carbondale, CO 81623	1,000.00	Ayni Education International P.O. Box 17672 Seattle, WA 98127	2,500.00
The Access Fund P.O. Box 17010 Boulder, CO 80308	1,500.00	Bring Me A Book Foundation 1045 Terra Bella Avenue Mountain View, CA 94043	250.00
Alliance Of Artists Communities 255 South Main Street Providence, RI 02903	500.00	Carbondale Clay Center 135 Main Street Carbondale, CO 81623	6,000.00
American Whitewater P O. Box 1540 Cullowhee, NC 28723	500.00	Carbondale Council On Arts & Humanities 520 South Third Street, #9 Carbondale, CO 81623	1,000.00
Anderson Ranch Arts Center PO Box 5598 Snowmass Village, CO 81615	161,000.00	Colorado Conservation Trust 1551 Ogden Street Denver, CO 80218	1,000.00
Arvada Center For The Arts And Humanities 6901 Wadsworth Blvd. Arvada, CO 80003	250.00	Colorado Public Radio 7409 South Alton Court Centennial, CO 80112	1,000.00
Aspen Center For Environmental Studies 100 Puppy Smith Aspen, CO 81611	1,000.00	Divide Classic C/O Dan Braymiller 2431 Bluff Street Boulder, CO 80302	250.00
Aspen Community Foundation 110 East Hallam Street, Suite 126 Aspen, CO 81611	10,000.00	Doctors Without Borders USA 333 7th Avenue New York, NY 10001-5004	3,250.00
Aspen Education Foundation P O. Box 2200 Aspen, CO 81612	6,000.00	Friendship Bridge 405 Urban Street, Suite 140 Lakewood, CO 80228	1,000 00
Aspen High School Project Graduation 0235 High School Road Aspen, CO 81611	500.00	Global Greengrants Fund 2840 Wilderness Place, Suite A Boulder, CO 80301	4,000.00
Aspen Institute 1000 North Third Street Aspen, CO 81611	1,000 00	Grand Canyon Private Boaters Association 809 W. Riordan Road, Suite 100, #431 Flagstaff, AZ 86001	250.00
Aspen Valley Medical Foundation P.O. Box 1639 Aspen, CO 81612	500 00	Haiti School Project 1164 Kings Row Carbondale, CO 81623	500.00

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Heifer International 1 World Avenue Little Rock, AR 72203	3,250.00	Planned Parenthood - Colorado 434 West 33rd Street New York, NY 10001-2601	1,000.00
High Country Foundation P.O. Box 1090 Paonia, CO 81428	250.00	Public Counsel of the Rockies The Benedict Building 1280 Ute Avenue, Suite 4 Aspen, CO 81611	1,000.00
Hike for Hope 936 W. Francis Street Aspen, CO 81611	500.00	Red Brick Center For The Arts 110 E. Hallam Street Aspen, CO 81611	2,500.00
Interlochen Center For The Arts P.O. Box 199 Interlochen, MI 49643-9988	1,000 00	Rios to Rivers 266 Wildwood Lane Aspen, CO 81611	500.00
KAJX Aspen Public Radio 110 East Hallam, Suite 134 Aspen, CO 81611	1,300.00	River Management Society PO Box 5750 Takoma Park, MD 20913-5750	4,500.00
Kiva Microfunds 875 Howard Street, Suite 340 San Francisco, CA 94103	1,000.00	Roaring Fork Conservancy P.O. Box 3349 Basalt, CO 81621	1,000.00
Media Matters P.O. Box 52155 Washington, DC 20091	2,500.00	Rocky Mountain Institute 2317 Snowmass Creek Road Snowmass, CO 81654	8,000.00
Mesa Land Trust 1006 Main Street Grand Junction, CO 81501	500.00	Room To Read 111 Sutter Street, 16th Floor San Francisco, CA 94104	500.00
National Nordic Foundation 32 West 200 South #149 Salt Lake City, UT 84101	500 00	Save The Children Attn: Donor Service 54 Wilton Road Westport, CT 06880	500.00
Native American Rights Foundation 1506 Broadway Boulder, CO 80302	500.00	SICA: The Water Handler Association 9509 Ketona Cove Austin, TX 78759	1,000.00
Natural Resource Defense Council 40 West 20th Street New York, NY 10011	1,000.00	Southern Utah Wilderness Society 425 E. 100 South Salt Lake City, UT 84111-1801	4,000 00
NPR Foundation Dept. 6054 Washington, DC 20042-6054	1,000.00	Teachers Across Borders Siem Reap Program - Dr. Klug 100 North 8th Street Aspen, CO 81611	500 00
Oregon Shakespeare Festival 15 S Pioneer Street P.O. Box 158 Ashland, OR 97520-9942	250.00		

page total = 38,950

The Art Center 1803 North 7th Street Grand Junction, CO 81501	2,500 00	Wilderness Workshop P.O. Box 1442 Carbondale, CO 81623	1,500.00
The Buddy Program 110 East Hallam Street, Suite 125 Aspen, CO 81611	250.00		
The Carter Center Attn: Office of Institutional Development One Copenhill 453 Freedom Parkway Atlanta, GA 30307	4,000.00		
The Common Cause Education Fund 1133 19th Street, NW, 9th Floor Washington, DC 20036	1,000 00		
The New York Says Thank You Foundation c/o Jeff Parness 2576 Broadway #174 New York, NY 10025	2,000.00		
The Wilderness Society 1615 M Street, NW, Suite 200 Washington, DC 20036	500 00		
Third Street Center 520 South Third Street Carbondale, CO 81623	250.00		
Union of Concerned Scientists, Inc Two Brattle Square Cambridge, MA 02238	10,000.00		
WE-cycle P O. Box 360 Aspen, CO 81612	1,000 00		
Western Colorado Congress 128 North Sixth Street P.O. Box 1931 Grand Junction, CO 81502-1931	7,000.00		
Western Resource Advocates 2260 Baseline Road, Suite 200 Boulder, CO 80302	10,000 00		
Western Rivers Institute P.O. Box 1029 Carbondale, CO 81623	10,000 00		

page total = \$50,000
Grand Total = \$293,300