



See a Social Security Number? Say Something!
Report Privacy Problems to <https://public.resource.org/privacy>
Or call the IRS Identity Theft Hotline at 1-800-908-4490



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 **10/01/09**, and ending **09/30/10**

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

ARCANA FOUNDATION, INC

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

Room/suite

C/O JP MORGAN SVCS PO BOX 6089

City or town, state, and ZIP code

NEWARK**DE 19714-6089**

A Employer identification number

52-1515952

B Telephone number (see page 10 of the instructions)

202-789-7280C If exemption application is pending, check here ☐D 1. Foreign organizations, check here ☐2. Foreign organizations meeting the
85% test, check here and attach computation ☐E If private foundation status was terminated under
section 507(b)(1)(A), check here ☐F If the foundation is in a 60-month termination
under section 507(b)(1)(B), check here ☐H Check type of organization ☒ Section 501(c)(3) exempt private foundation☒ Section 4947(a)(1) nonexempt charitable trust ☐ Other taxable private foundationFair market value of all assets at end
of year (from Part II, col. (c),
line 16) ▶ \$**527,735**J Accounting method ☐ Cash ☒ Accrual☐ Other (specify)

(Part I, column (d) must be on cash basis)

Part I Analysis of Revenue and Expenses (Thetotal 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

- 1 Contributions, gifts, grants, etc., received (attach schedule)
- 2 Check ☒ if the foundation is **not** required to attach Sch. B
- 3 Interest on savings and temporary cash investments
- 4 Dividends and interest from securities
- 5a Gross rents
- b Net rental income or (loss)
- 6a Net gain or (loss) from sale of assets not on line 10
- b Gross sales price for all assets on line 6a **3,432**
- 7 Capital gain net income (from Part IV, line 2)
- 8 Net short-term capital gain
- 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)
- 12 **Total.** Add lines 1 through 11

12,288**12,288****0**

Operating and Administrative Expenses

- 13 Compensation of officers, directors, trustees, etc
- 14 Other employee salaries and wages
- 15 Pension plans, employee benefits
- 16a Legal fees (attach schedule)
- b Accounting fees (attach schedule)
- c Other professional fees (attach schedule) **STMT 1**
- 17 Interest
- 18 Taxes (attach schedule) (see page 14 of the instructions) **STMT 2**
- 19 Depreciation (attach schedule) and depletion
- 20 Occupancy
- 21 Travel, conferences, and meetings
- 22 Printing and publications
- 23 Other expenses (att. sch.) **STMT 3**
- 24 **Total operating and administrative expenses.**
Add lines 13 through 23
- 25 Contributions, gifts, grants paid
- 26 **Total expenses and disbursements.** Add lines 24 and 25
- 27 Subtract line 26 from line 12
- a Excess of revenue over expenses and disbursements
- b Net investment income (if negative, enter -0-)
- c Adjusted net income (if negative, enter -0-)

4,575**315****358****5,248****35,000****40,248****-27,960****4,470****0****0****0****0****12,288****0**

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

Form **990-PF** (2009)

20614

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			-19,863	4,957	4,957
	2 Savings and temporary cash investments			7,777	36,265	36,265
	3 Accounts receivable ▶	423				
	Less allowance for doubtful accounts ▶			945	423	423
	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 (attach 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 4			154,479	164,787	166,294
	c Investments—corporate bonds (attach schedule) SEE STMT 5			395,000	308,229	319,796
	11 Investments—land, buildings, and equipment basis ▶					
	Less accumulated depreciation (attach sch) ▶					
	12 Investments—mortgage loans					
	13 Investments—other (attach schedule) SEE STATEMENT 6			178		
	14 Land, buildings, and equipment basis ▶					
	Less accumulated depreciation (attach sch) ▶					
	15 Other assets (describe ▶)					
	16 Total assets (to be completed by all filers—see the instructions. Also, see page 1, item I)			538,516	514,661	527,735
Liabilities	17 Accounts payable and accrued expenses			23,500	27,500	
	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 ▶) SEE STATEMENT 7			42	147	
	23 Total liabilities (add lines 17 through 22)			23,542	27,647	
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			15,599,858		
	28 Paid-in or capital surplus, or land, bldg, and equipment fund					
	29 Retained earnings, accumulated income, endowment, or other funds			-15,085,020	487,014	
	30 Total net assets or fund balances (see page 17 of the instructions)			514,974	487,014	
	31 Total liabilities and net assets/fund balances (see page 17 of the instructions)			538,516	514,661	

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	514,974
2 Enter amount from Part I, line 27a	2	-27,960
3 Other increases not included in line 2 (itemize) ▶	3	
4 Add lines 1, 2, and 3	4	487,014
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	487,014

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	SEE ATTACHED	P	VARIOUS	VARIOUS
b	SEE ATTACHED	P	VARIOUS	VARIOUS
c	CAPITAL GAIN DIVIDENDS			
d				
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 77			77
b 3,352			3,352
c 3			3
d			
e			

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			77
b			3,352
c			3
d			
e			

2 Capital gain net income or (net capital loss)	<div style="border: 1px solid black; padding: 2px;"> If gain, also enter in Part I, line 7 If (loss), enter -0- in Part I, line 7 </div>	2	3,432
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) (see pages 13 and 17 of the instructions) If (loss), enter -0- in Part I, line 8		3	77

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	100,745	538,285	0.187159
2007	131,019	651,161	0.201208
2006	161,706	766,572	0.210947
2005	237,139	938,484	0.252683
2004	626,806	1,052,724	0.595413

2 Total of line 1, column (d)	2	1.447410
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	0.289482
4 Enter the net value of noncharitable-use assets for 2009 from Part X, line 5	4	511,303
5 Multiply line 4 by line 3	5	148,013
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	123
7 Add lines 5 and 6	7	148,136
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 on page 18.	8	39,650

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 type="checkbox"/> and enter 1% of Part I, line 27b	1	246
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	246
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	246
6	Credits/Payments		
a	2009 estimated tax payments and 2008 overpayment credited to 2009	6a	315
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	315
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	
10	Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid	10	69
11	Enter the amount of line 10 to be Credited to 2010 estimated tax 69 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?		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 \$ _____ (2) On foundation managers \$ _____		
e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers \$ _____		
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) DC		
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 ► MS. PAULA HANSEN 1156 FIFTEENTH STR NW Located at ► WASHINGTON, DC	Telephone no ► 202-789-7280 ZIP+4 ► 20005		
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 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 2009?	N/A 1c	
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 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 ► 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 3b	
4a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?		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?		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
HOLLY KENNEDY PASSANTINO 200 60TH STREET ATP# 34A	NEW YORK NY 10065	SECRETARY 1.00	0	0
LADISLAUS VON HOFFMANN 2501 FOXHALL RD NORTHWEST	WASHINGTON DC DC 20007	PR, TR, DIR 18.00	0	0
BEATRIX VON HOFFMAN 2501 FOXHALL RD NORTHWEST	WASHINGTON DC DC 20007	VICE PR, DIR 9.00	0	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



Form 990-PF (2009) **ARCANA FOUNDATION, INC****52-1515952**Page **7****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	
3	
Total. Add lines 1 through 3 ▶	

Form **990-PF** (2009)

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	481,689
b	Average of monthly cash balances	1b	37,400
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	519,089
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	519,089
4	Cash deemed held for charitable activities. Enter 1½ % of line 3 (for greater amount, see page 25 of the instructions)	4	7,786
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	511,303
6	Minimum investment return. Enter 5% of line 5	6	25,565

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	25,565
2a	Tax on investment income for 2009 from Part VI, line 5	2a	246
b	Income tax for 2009 (This does not include the tax from Part VI)	2b	
c	Add lines 2a and 2b	2c	246
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	25,319
4	Recoveries of amounts treated as qualifying distributions	4	
5	Add lines 3 and 4	5	25,319
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	25,319

Part XII Qualifying Distributions (see page 25 of the 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	39,650
b	Program-related investments—total from Part IX-B	1b	
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	39,650
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	0
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6	39,650

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				25,319
2 Undistributed income, if any, as of the end of 2009				
a Enter amount for 2008 only				
b Total for prior years 20____, 20____, 20____				
3 Excess distributions carryover, if any, to 2009				
a From 2004	575,136			
b From 2005	190,956			
c From 2006	124,187			
d From 2007	98,951			
e From 2008	74,143			
f Total of lines 3a through e	1,063,373			
4 Qualifying distributions for 2009 from Part XII, line 4 ▶ \$ 39,650				
a Applied to 2008, but not more than line 2a				
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				25,319
e Remaining amount distributed out of corpus	14,331			
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:	1,077,704			
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				0
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)	575,136			
9 Excess distributions carryover to 2010. Subtract lines 7 and 8 from line 6a	502,568			
10 Analysis of line 9				
a Excess from 2005	190,956			
b Excess from 2006	124,187			
c Excess from 2007	98,951			
d Excess from 2008	74,143			
e Excess from 2009	14,331			

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 <input type="checkbox"/> 4942(j)(3) or <input type="checkbox"/> 4942(j)(5)					
2a Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed	Tax year	Prior 3 years			(e) Total
	(a) 2009	(b) 2008	(c) 2007	(d) 2006	
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
NONE

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 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 PROVIDENCE HEALTH FOUNDAT 1150 VARNUM ST., NE WASHINGTON DC 20017-2180	NONE	PUBLIC INCUBATOR	PROJECT	15,000
NEW FUTURES 1965 BILTMORE STREET, NW WASHINGTON DC 20009	NONE	PUBLIC GENERAL	SUPPORT	20,000
Total				▶ 3a 35,000
b Approved for future payment N/A				
Total				▶ 3b

Federal Statements

7/13/2011 12:10 PM

Statement 1 - Form 990-PF, Part I, Line 16c - Other Professional Fees

Description	Total	Net Investment	Adjusted Net	Charitable Purpose
MANAGEMENT I/M EXPENSE	\$ 575 4,000	\$	\$	\$ 470 4,000
TOTAL	\$ 4,575	\$ 0	\$ 0	\$ 4,470

Statement 2 - Form 990-PF, Part I, Line 18 - Taxes

Description	Total	Net Investment	Adjusted Net	Charitable Purpose
EXCISE TAX	\$ 315	\$	\$	\$
TOTAL	\$ 315	\$ 0	\$ 0	\$ 0

Statement 3 - Form 990-PF, Part I, Line 23 - Other Expenses

Description	Total	Net Investment	Adjusted Net	Charitable Purpose
EXPENSES		\$	\$	
OFFICE EXPENSE	358			180
INSURANCE EXPENSES				
TOTAL	\$ 358	\$ 0	\$ 0	\$ 180

Federal Statements**Statement 4 - Form 990-PF, Part II, Line 10b - Corporate Stock Investments**

Description	Beginning of Year	End of Year	Basis of Valuation	Fair Market Value
SCHEDULE ATTACHED	\$ 154,479	\$ 164,787	COST	\$ 166,294
TOTAL	<u>\$ 154,479</u>	<u>\$ 164,787</u>		<u>\$ 166,294</u>

Statement 5 - Form 990-PF, Part II, Line 10c - Corporate Bond Investments

Description	Beginning of Year	End of Year	Basis of Valuation	Fair Market Value
SCHEDULE ATTACHED	\$ 395,000	\$ 308,229	COST	\$ 319,796
TOTAL	<u>\$ 395,000</u>	<u>\$ 308,229</u>		<u>\$ 319,796</u>

Statement 6 - Form 990-PF, Part II, Line 13 - Other Investments

Description	Beginning of Year	End of Year	Basis of Valuation	Fair Market Value
PREPAID EXCISE TAX	\$ 178		COST	\$
TOTAL	<u>\$ 178</u>	<u>\$ 0</u>		<u>\$ 0</u>

Statement 7 - Form 990-PF, Part II, Line 22 - Other Liabilities

Description	Beginning of Year	End of Year
MORGAN I/M FEE PAYABLE	\$ 42	\$ 147
TOTAL	<u>\$ 42</u>	<u>\$ 147</u>

52-1515952

Federal Statements

FYE: 9/30/2010

Form 990-PF, Part XV, Line 1b - Managers Who Own 10% or More Stock

Name of Manager	Amount
NONE	\$
TOTAL	\$ 0

52-1515952

Federal Statements

FYE: 9/30/2010

ACCOUNTS RECEIVABLE

<u>Description</u>	<u>Amount</u>
	\$ <u>423</u>
TOTAL	\$ <u><u>423</u></u>

ACCT 5897 A21504005
FROM 10/01/2009
TO 09/30/2010

J.P.MORGAN CHASE BANK, N.A.
STATEMENT OF CAPITAL GAINS AND LOSSES
ARCANA FOUNDATION INC

PAGE 18

RUN 07/07/2011
02 31 17 PM

TRUST YEAR ENDING 09/30/2010

TAX PREPARER JBA
TRUST ADMINISTRATOR
INVESTMENT OFFICER DCH

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
957.0000 JPMORGAN INTERNATIONAL CURRENCY INCOME FUND - 4812A3296						
SOLD		01/14/2010	10479 15			
ACQ	957 0000	11/12/2009	10479 15	10402 59	76 56	ST
1208.0000 JPMORGAN HIGHYIELD BOND FUND - 4812C0803 - MINOR = 08030						
SOLD		12/14/2009	9289.52			
ACQ	1208 0000	05/14/2008	9289 52	9398.24	-108 72	LT15
3679 8530 JPMORGAN SHORT DURATION BOND FUND - 4812C1330 - MINOR = 08030						
SOLD		10/05/2009	40000.00			
ACQ	3679 8530	11/09/2007	40000 00	39153 64	846.36	LT15
2903.0000 JPMORGAN SHORT DURATION BOND FUND - 4812C1330 - MINOR = 08030						
SOLD		11/12/2009	31642.70			
ACQ	2903 0000	11/09/2007	31642.70	30887.92	754 78	LT15
6602 0000 JPMORGAN SHORT DURATION BOND FUND - 4812C1330 - MINOR = 08030						
SOLD		12/14/2009	72027.82			
ACQ	6602 0000	11/09/2007	72027.82	70245 28	1782 54	LT15
.0000 M C I COMMUNICATIONS CORP - 552673105						
SOLD		12/04/2009	25 68			
ACQ	0000		25 68	0 00	25 68	LT15
CHANGED 12/22/09 AW4						
0000 QWEST COMMUNICATIONS INTL INC - 749121109 - MINOR = 31000						
SOLD		06/29/2010	51 31			
ACQ	.0000		51 31	0.00	51.31	LT15
TOTALS			163516 18	160087 67		

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	76.56	0 00	3351.95	0 00	0.00	0 00*
COMMON TRUST FUND	0 00	0 00	0 00			0 00
CAPITAL GAIN DIVIDENDS	0 00	0.00	3 37			0.00
	76 56	0 00	3355.32	0 00	0 00	0 00
STATE						
SUBTOTAL FROM ABOVE	76.56	0 00	3351 95	0 00	0.00	0 00*
COMMON TRUST FUND	0.00	0 00	0 00			0 00
CAPITAL GAIN DIVIDENDS	0 00	0 00	3 37			0 00
	76 56	0.00	3355.32	0 00	0.00	0 00

* - 1250 GAIN DETAILED ON TRANS PAGES, NOT ABOVE

CAPITAL LOSS CARRYOVER

FEDERAL	0.00	0.00
DELAWARE	N/A	N/A

J.P.Morgan

JPMorgan Chase Bank, N.A.
P O Box 6076
Newark, DE 19714 - 6076

00012383 DPB 802 165 27410 - NNNNT 1 000000000 D1 0000
ARCANA FOUNDATION INC
PAULA HANSEN
1156 15TH ST NW SUITE 605
WASHINGTON DC 20005-1767

Primary Account: 000000000015063
For the Period 9/1/10 to 9/30/10

J.P. Morgan Team

Kyle M Luke (877) 298-8323
Patrick M Dunn (800) 576-6209
For assistance after business hours, 7 days a week.
Hearing Impaired (800) 242-7383
Online access: www.MorganOnline.com



JPMorgan Classic Business Checking

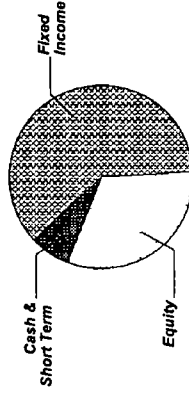
Checking Account Summary	Instances	Amount
Beginning Balance		4,723.31
Ending Balance	0	\$4,723.31
	Add back of bank error.	234.00
		<u>4957.31</u>

Please note this account had no activity during this statement period The date of last activity for this account was 07/08/10

Account Summary

Asset Allocation	Beginning Market Value	Ending Market Value	Change In Value	Estimated Annual Income	Current Allocation
Equity	152,067.49	166,294.15	14,226.66	1,299.27	32%
Cash & Short Term	35,705.00	36,264.52	559.52	10.87	7%
Fixed Income	318,609.47	319,796.29	1,186.82	7,675.20	61%
Market Value	\$506,381.96	\$522,354.96	\$15,973.00	\$8,985.34	100%
Accruals	427.65	422.86	(4.79)		
Market Value with Accruals	\$506,809.61	\$522,777.82	\$15,968.21		

Asset Allocation



Cost Summary	Cost
Equity	164,787.37
Cash & Short Term	36,264.52
Fixed Income	308,228.71
Total	\$509,280.60

J.P.Morgan

ARCANA FOUNDATION INC ACCT. A21504005
As of 9/30/10

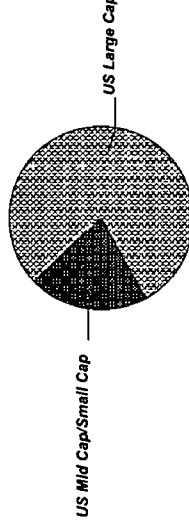
Equity Summary

Asset Categories	Beginning Market Value	Ending Market Value	Change In Value	Current Allocation
US Large Cap	119,690.93	130,580.01	10,889.08	25%
US Mid Cap/Small Cap	32,376.56	35,714.14	3,337.58	7%
Total Value	\$152,067.49	\$166,294.15	\$14,226.66	32%

Asset Categories



Market Value/Cost	Current Period Value
Market Value	166,294.15
Tax Cost	164,787.37
Unrealized Gain/Loss	1,506.78
Estimated Annual Income	1,299.27
Yield	0.78%



Equity Detail

	Quantity	Price	Market Value	Tax Cost Adjusted Original	Unrealized Gain/Loss	Estimated Annual Income Accrued Dividends	Yield
US Large Cap							
EATON VANCE SPL INVT TR VALUE FD CL I 277905-64-2 EILV X	1,063.076	16.64	17,689.58	15,000.00	2,689.58	231.75	1.31%

	Quantity	Price	Market Value	Tax Cost Adjusted Original	Unrealized Gain/Loss	Estimated Annual Income Accrued Dividends	Yield
US Large Cap							
JPMORGAN INTREPID GROWTH FUND SELECT SHARE CLASS FUND 1202 4812A2-20-7 JPGS X	1,532.335	20.22	30,983.81	29,436.15	1,547.66	274.28	0.89%
JPMORGAN US LARGE CAP CORE PLUS FUND SELECT FUND 1002 4812A2-38-9 JLPS X	3,830.915	18.58	71,178.40	75,000.00	(3,821.60)	436.72	0.61%
SPDR S&P 500 ETF TRUST 78462F-10-3 SPY	94.000	114.13	10,728.22	10,308.04	420.18	207.17	1.93%
Total US Large Cap	6,520.326		\$130,580.01	\$129,744.19	\$835.82	\$1,149.92	0.88%
US Mid Cap/Small Cap							
ISHARES RUSSELL 2000 INDEX FUND 464287-65-5 IWM	182.000	67.50	12,285.00	10,043.18	2,241.82	143.78	1.17%
JPMORGAN MID CAP VALUE FUND SELECT SHARE CLASS (FUND 1100) 339183-10-5 JMVS X	1,114.082	21.03	23,429.14	25,000.00	(1,570.86)	5.57	0.02%
Total US Mid Cap/Small Cap	1,296.082		\$35,714.14	\$35,043.18	\$670.96	\$149.35	0.42%

Cash & Short Term Summary

Asset Categories	Beginning Market Value	Ending Market Value	Change In Value	Current Allocation	7%
Cash	35,705.00	36,264.52	559.52		

Asset Categories



Market Value/Cost

	Current Period Value
Market Value	36,264.52
Tax Cost	36,264.52
Estimated Annual Income	10.87
Accrued Interest	0.89
Yield	0.03 %

Note ¹ This is the Annual Percentage Yield (APY) which is the rate earned if balances remain on deposit for a full year with compounding, there is no change in the interest rate and all interest is left in the account

Cash & Short Term Detail

	Quantity	Price	Market Value	Tax Cost Adjusted Original	Unrealized Gain/Loss	Estimated Annual Income		Yield
						Accrued Interest	Annual Income	
Cash								
US DOLLAR	36,264.52	1.00	36,264.52	36,264.52		10.87	0.89	0.03 % ¹

Fixed Income Summary

Asset Categories	Beginning Market Value	Ending Market Value	Change In Value	Current Allocation
US Fixed Income - Taxable	318,609.47	319,796.29	1,186.82	61%

Asset Categories



Market Value/Cost	Current Period Value
Market Value	319,796.29
Tax Cost	308,228.71
Unrealized Gain/Loss	11,567.58
Estimated Annual Income	7,675.20
Accrued Interest	421.97
Yield	2.40%

SUMMARY BY MATURITY

Fixed Income	Market Value	% of Bond Portfolio
Less than 5 years ¹	319,796.29	100%

SUMMARY BY TYPE

Fixed Income	Market Value	% of Bond Portfolio
Mutual Funds	319,796.29	100%

¹ The years indicate the number of years until the bond is scheduled to mature based on the statement end date. Some bonds may be called, or paid in full, before their stated maturity.

Fixed Income Detail

	Quantity	Price	Market Value	Tax Cost Adjusted Original	Unrealized Gain/Loss	Estimated Annual Income Accrued Interest	Yield
US Fixed Income - Taxable							
EATON VANCE MUT FDS TR							
FLT RT CL I	923 000	8 78	8,103.94	7,845 50	258 44	395 96	4 89 %
277911-49-1							
JPMORGAN STRATEGIC INCOME							
OPPORTUNITIES FUND 3844	674 420	11 72	7,904 20	7,843 50	60 70	231 32	2 93 %
30-Day Annualized Yield: 3 34 %						21 58	
4812A4-35-1							
JPMORGAN HIGH YIELD BOND FUND							
SELECT CLASS	1,362 694	8 04	10,956 06	10,601 76	354 30	887 11	8 10 %
FUND 3580						69 50	
30-Day Annualized Yield: 7.26 %							
4812C0-80-3							
JPMORGAN SHORT DURATION BOND FUND							
SELECT CLASS	22,059 508	11 04	243,536 97	234,713 16	8,823 81	4,941 32	2 03 %
FUND 3133						330 89	
30-Day Annualized Yield: 1.14 %							
4812C1-33-0							
ISHARES BARCLAYS TIPS BOND FUND							
464287-17-6	452 000	109 06	49,295 12	47,224 79	2,070 33	1,219 49	2 47 %
Total US Fixed Income - Taxable	25,471.622		\$319,796.29	\$308,228.71	\$11,567.58	\$7,675.20 \$421.97	2.40 %

Form 8868 (Rev 1-2011)

Page **2**

- If you are filing for an **Additional (Not Automatic) 3-Month Extension**, complete only **Part II** and check this box ☒

Note. Only complete Part II if you have already been granted an automatic 3-month extension on a previously filed Form 8868

- If you are filing for an **Automatic 3-Month Extension**, complete only **Part I** (on page 1)

Part II Additional (Not Automatic) 3-Month Extension of Time. Only file the original (no copies needed)

Type or print File by the extended due date for filing your return See instructions	Name of exempt organization	Employer identification number
	ARCANA FOUNDATION, INC	52-1515952
	Number, street, and room or suite no If a P O box, see instructions C/O JP MORGAN SVCS PO BOX 6089	
	City, town or post office, state, and ZIP code For a foreign address, see instructions NEWARK DE 19714-6089	

Enter the Return code for the return that this application is for (file a separate application for each return)

04

Application Is For	Return Code	Application Is For	Return Code
Form 990	01		
Form 990-BL	02	Form 1041-A	08
Form 990-EZ	03	Form 4720	09
Form 990-PF	04	Form 5227	10
Form 990-T (sec 401(a) or 408(a) trust)	05	Form 6069	11
Form 990-T (trust other than above)	06	Form 8870	12

STOP! Do not complete Part II if you were not already granted an automatic 3-month extension on a previously filed Form 8868.

- The books are in the care of **1156 FIFTEENTH STR NW**
Telephone No **202-789-7280** FAX No
- If the organization does not have an office or place of business in the United States, check this box ☐
- If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) If this is for the whole group, check this box ☐ If it is for part of the group, check this box ☐ and attach a list with the names and EINs of all members the extension is for

4 I request an additional 3-month extension of time until **08/15/11**

5 For calendar year , or other tax year beginning **10/01/09**, and ending **09/30/10**

6 If the tax year entered in line 5 is for less than 12 months, check reason ☐ Initial return ☐ Final return
☐ Change in accounting period

7 State in detail why you need the extension

ADDITIONAL TIME REQUIRED TO FILE A COMPLETE AND ACCURATE RETURN.

8a If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits See instructions	8a	\$	493
b If this application is for Form 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made Include any prior year overpayment allowed as a credit and any amount paid previously with Form 8868	8b	\$	493
c Balance Due. Subtract line 8b from line 8a. Include your payment with this form, or, if required, deposit with FTD coupon or, if required, by using EFTPS (Electronic Federal Tax Payment System) See instructions	8c	\$	0

Signature and Verification

Under penalties of perjury, I declare that I have examined this form, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete, and that I am authorized to prepare this form

Signature **James J. Bryan III V.P.**

Title **VICE PRESIDENT**

Date **05/06/11**

Form **8868** (Rev 1-2011)