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Form **990-PF**

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

OMB No 1545-0052

**2010**Department 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 2010, or tax year beginning 10/01/10, and ending 09/30/11

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

Name of foundation

**ARCANA FOUNDATION, INC**

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

**C/O JP MORGAN SVCS PO BOX 6089**

Room/suite

City or town, state, and ZIP code

**NEWARK****DE 19714-6089**H Check type of organization ☒ Section 501(c)(3) exempt private foundation☐ Section 4947(a)(1) nonexempt charitable trust ☐ Other taxable private foundation

I Fair market value of all assets at

end of year (from Part II, col (c),

line 16) **\$ 3,865,003**J Accounting method ☐ Cash ☒ Accrual☐ Other (specify)

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

A Employer identification number

**52-1515952**

B Telephone number (see page 10 of the instructions)

**202-789-7280**C 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 ☐

**Part I Analysis of Revenue and Expenses** (The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a) (see page 11 of the instructions))

(a) Revenue and expenses per books

(b) Net investment income

(c) Adjusted net income

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

Revenue

1 Contributions, gifts, grants, etc., received (attach schedule) **3,405,960**

2 Check ☐ if the foundation is not required to attach Sch B

3 Interest on savings and temporary cash investments **2,444**

4 Dividends and interest from securities **6,561**

5a Gross rents

b Net rental income or (loss)

6a Net gain or (loss) from sale of assets not on line 10 **STMT 1 2,065,336**

b Gross sales price for all assets on line 6a **3,500,855**

7 Capital gain net income (from Part IV, line 2) **2,065,317**

8 Net short-term capital gain **0**

9 Income modifications

10a Gross sales less returns & allowances

b Less Cost of goods sold

c Gross profit or (loss) (attach schedule)

11 Other income (attach schedule) **STMT 2 188**

12 Total. Add lines 1 through 11 **5,480,489**

Operating and Administrative Expenses

13 Compensation of officers, directors, trustees, etc **0**

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 3 4,486**

17 Interest

18 Taxes (attach schedule) (see page 14 of the instructions) **STMT 4 500**

19 Depreciation (attach schedule) and depletion

20 Occupancy

21 Travel, conferences, and meetings

22 Printing and publications

23 Other expenses (attach schedule) **STMT 5 1,809**

24 Total operating and administrative expenses. Add lines 13 through 23 **6,795**

25 Contributions, gifts, grants paid **75,000**

26 Total expenses and disbursements. Add lines 24 and 25 **81,795**

27 Subtract line 26 from line 12

a Excess of revenue over expenses and disbursements **5,398,694**

b Net investment income (if negative, enter -0-) **2,073,836**

c Adjusted net income (if negative, enter -0-) **0**

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

Form **990-PF** (2010)

DAA

9-170

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<b>Part II Balance Sheets</b>		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
<b>Assets</b>	1	Cash—non-interest-bearing	4,957	10,148	10,148
	2	Savings and temporary cash investments	36,265	3,397,489	3,397,489
	3	Accounts receivable ▶			
		Less allowance for doubtful accounts ▶	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 15 of the instructions)			
	7	Other notes and loans receivable (att schedule) ▶			
		Less allowance for doubtful accounts ▶			
	8	Inventories for sale or use			
	9	Prepaid expenses and deferred charges			
	10a	Investments—U S. and state government obligations (attach schedule)			
	b	Investments—corporate stock (attach schedule) <b>SEE STMT 6</b>	164,787	144,880	143,448
	c	Investments—corporate bonds (attach schedule) <b>SEE STMT 7</b>	308,229	307,713	313,918
	11	Investments—land, buildings, and equipment basis ▶			
		Less accumulated depreciation (attach sch) ▶			
	12	Investments—mortgage loans			
	13	Investments—other (attach schedule) <b>SEE STATEMENT 8</b>			
	14	Land, buildings, and equipment basis ▶			
		Less accumulated depreciation (attach sch) ▶			
	15	Other assets (describe ▶)			
	16	<b>Total assets</b> (to be completed by all filers—see the instructions. Also, see page 1, item I)	514,661	3,860,230	3,865,003
<b>Liabilities</b>	17	Accounts payable and accrued expenses	27,500	31,546	
	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 ▶) <b>SEE STATEMENT 9</b>	147		
	23	<b>Total liabilities</b> (add lines 17 through 22)	27,647	31,546	
<b>Net Assets or Fund Balances</b>		Foundations that follow SFAS 117, check here ▶ <input type="checkbox"/>			
	24	Unrestricted			
	25	Temporarily restricted			
	26	Permanently restricted			
		Foundations that do not follow SFAS 117, check here ▶ <input checked="" type="checkbox"/>			
	27	Capital stock, trust principal, or current funds			
	28	Paid-in or capital surplus, or land, bldg, and equipment fund			
	29	Retained earnings, accumulated income, endowment, or other funds	487,014	3,828,684	
	30	<b>Total net assets or fund balances</b> (see page 17 of the instructions)	487,014	3,828,684	
	31	<b>Total liabilities and net assets/fund balances</b> (see page 17 of the instructions)	514,661	3,860,230	

**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	487,014
2	Enter amount from Part I, line 27a	2	5,398,694
3	Other increases not included in line 2 (itemize) ▶ <b>SEE STATEMENT 10</b>	3	9
4	Add lines 1, 2, and 3	4	5,885,717
5	Decreases not included in line 2 (itemize) ▶ <b>SEE STATEMENT 11</b>	5	2,057,033
6	<b>Total net assets or fund balances at end of year</b> (line 4 minus line 5)—Part II, column (b), line 30	6	3,828,684

**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.)
<b>1a SEE WORKSHEET</b>				
<b>b</b>				
<b>c</b>				
<b>d</b>				
<b>e</b>				
(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)	
<b>a</b>				
<b>b</b>				
<b>c</b>				
<b>d</b>				
<b>e</b>				
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))	
<b>a</b>				
<b>b</b>				
<b>c</b>				
<b>d</b>				
<b>e</b>				
<b>2 Capital gain net income or (net capital loss)</b> <span 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</span>			<b>2</b>	<b>2,065,317</b>
<b>3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6)</b> 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			<b>3</b>	

**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))
2009	39,650	511,303	0.077547
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
<b>2 Total of line 1, column (d)</b>			<b>2</b> <b>0.929544</b>
<b>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</b>			<b>3</b> <b>0.185909</b>
<b>4 Enter the net value of noncharitable-use assets for 2010 from Part X, line 5</b>			<b>4</b> <b>910,198</b>
<b>5 Multiply line 4 by line 3</b>			<b>5</b> <b>169,214</b>
<b>6 Enter 1% of net investment income (1% of Part I, line 27b)</b>			<b>6</b> <b>20,738</b>
<b>7 Add lines 5 and 6</b>			<b>7</b> <b>189,952</b>
<b>8 Enter qualifying distributions from Part XII, line 4</b> 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.			<b>8</b> <b>76,809</b>

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

<b>1a</b>	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>b</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	<b>1</b>	<b>41,477</b>
<b>c</b>	All other domestic foundations enter 2% of line 27b. Exempt foreign organizations enter 4% of Part I, line 12, col (b)		
<b>2</b>	Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)	<b>2</b>	<b>0</b>
<b>3</b>	Add lines 1 and 2	<b>3</b>	<b>41,477</b>
<b>4</b>	Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)	<b>4</b>	<b>0</b>
<b>5</b>	<b>Tax based on investment income.</b> Subtract line 4 from line 3. If zero or less, enter -0-	<b>5</b>	<b>41,477</b>
<b>6</b>	<b>Credits/Payments</b>		
<b>a</b>	2010 estimated tax payments and 2009 overpayment credited to 2010	<b>6a</b>	<b>69</b>
<b>b</b>	Exempt foreign organizations—tax withheld at source	<b>6b</b>	
<b>c</b>	Tax paid with application for extension of time to file (Form 8868)	<b>6c</b>	<b>42,000</b>
<b>d</b>	Backup withholding erroneously withheld	<b>6d</b>	
<b>7</b>	<b>Total credits and payments.</b> Add lines 6a through 6d	<b>7</b>	<b>42,069</b>
<b>8</b>	Enter any <b>penalty</b> for underpayment of estimated tax. Check here <input checked="" type="checkbox"/> if Form 2220 is attached	<b>8</b>	<b>2</b>
<b>9</b>	<b>Tax due.</b> If the total of lines 5 and 8 is more than line 7, enter amount owed	<b>9</b>	
<b>10</b>	<b>Overpayment.</b> If line 7 is more than the total of lines 5 and 8, enter the amount overpaid	<b>10</b>	<b>590</b>
<b>11</b>	Enter the amount of line 10 to be <b>Credited to 2011 estimated tax</b> <b>590</b> <b>Refunded</b>	<b>11</b>	

**Part VII-A Statements Regarding Activities**

	Yes	No
<b>1a</b> 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?		<b>X</b>
<b>b</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		<b>X</b>
<b>c</b> Did the foundation file <b>Form 1120-POL</b> for this year?		<b>X</b>
<b>d</b> Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year (1) On the foundation <b>\$</b> _____ (2) On foundation managers <b>\$</b> _____		
<b>e</b> Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers <b>\$</b> _____		
<b>2</b> 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		<b>X</b>
<b>3</b> 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		<b>X</b>
<b>4a</b> Did the foundation have unrelated business gross income of \$1,000 or more during the year?		<b>X</b>
<b>b</b> If "Yes," has it filed a tax return on <b>Form 990-T</b> for this year?		
<b>5</b> Was there a liquidation, termination, dissolution, or substantial contraction during the year? If "Yes," attach the statement required by General Instruction T.		<b>X</b>
<b>6</b> 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?	<b>X</b>	
<b>7</b> 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	<b>X</b>	
<b>8a</b> Enter the states to which the foundation reports or with which it is registered (see page 19 of the instructions) <b>DC</b>		
<b>b</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	<b>X</b>	
<b>9</b> 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 2010 or the taxable year beginning in 2010 (see instructions for Part XIV on page 27)? If "Yes," complete Part XIV		<b>X</b>
<b>10</b> Did any persons become substantial contributors during the tax year? If "Yes," attach a schedule listing their names and addresses		<b>X</b>

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		<b>X</b>
12	Did the foundation acquire a direct or indirect interest in any applicable insurance contract before August 17, 2008?	12		<b>X</b>
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application? Website address ► <b>N/A</b>	13	<b>X</b>	
14	The books are in care of ► <b>MS. PAULA HANSEN</b> <b>1156 FIFTEENTH STR NW</b> Located at ► <b>WASHINGTON</b> DC ZIP+4 ► <b>20005</b> Telephone no ► <b>202-789-7280</b>			
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 ► <b>15</b>			
16	At any time during calendar year 2010, 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 page 20 of 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 <b>X</b>

**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 22 of the instructions)? Organizations relying on a current notice regarding disaster assistance check here N/A ► <input type="checkbox"/>	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 2010? 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 2010, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2010? 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 22 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 2010 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 2010 ) N/A	3b	
4a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	4a	<b>X</b>
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 2010?	4b	<b>X</b>

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

<b>5a</b>	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))?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	
	(2) Influence the outcome of any specific public election (see section 4955); or to carry on, directly or indirectly, any voter registration drive?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	
	(3) Provide a grant to an individual for travel, study, or other similar purposes?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> 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)	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> 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?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	
<b>b</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)?	<b>N/A</b>		<b>5b</b>
	Organizations relying on a current notice regarding disaster assistance check here	<input type="checkbox"/>		
<b>c</b>	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?	<b>N/A</b>	<input type="checkbox"/> Yes <input type="checkbox"/> No	
	If "Yes," attach the statement required by Regulations section 53.4945-5(d)			
<b>6a</b>	Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	
<b>b</b>	Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract?			<b>6b</b>
	If "Yes" to 6b, file Form 8870			<b>X</b>
<b>7a</b>	At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	
<b>b</b>	If Yes, did the foundation receive any proceeds or have any net income attributable to the transaction?	<b>N/A</b>		<b>7b</b>

**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
SEE STATEMENT				

**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

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 (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
<b>1</b> N/A	
<b>2</b>	
<b>3</b>	
<b>4</b>	

**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
<b>1</b> N/A	
<b>2</b>	
All other program-related investments See page 24 of the instructions	
<b>3</b>	
<b>Total.</b> Add lines 1 through 3 <span style="float: right;">▶</span>	



**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	484,109
b	Average of monthly cash balances	1b	439,950
c	Fair market value of all other assets (see page 25 of the instructions)	1c	0
d	<b>Total</b> (add lines 1a, b, and c)	1d	924,059
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	924,059
4	Cash deemed held for charitable activities. Enter 1½ % of line 3 (for greater amount, see page 25 of the instructions)	4	13,861
5	<b>Net value of noncharitable-use assets.</b> Subtract line 4 from line 3. Enter here and on Part V, line 4	5	910,198
6	<b>Minimum investment return.</b> Enter 5% of line 5	6	45,510

**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	45,510
2a	Tax on investment income for 2010 from Part VI, line 5	2a	41,477
b	Income tax for 2010 (This does not include the tax from Part VI)	2b	
c	Add lines 2a and 2b	2c	41,477
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	4,033
4	Recoveries of amounts treated as qualifying distributions	4	
5	Add lines 3 and 4	5	4,033
6	Deduction from distributable amount (see page 25 of the instructions)	6	
7	<b>Distributable amount as adjusted.</b> Subtract line 6 from line 5. Enter here and on Part XIII, line 1	7	4,033

**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	76,809
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	<b>Qualifying distributions.</b> Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	4	76,809
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	<b>Adjusted qualifying distributions.</b> Subtract line 5 from line 4	6	76,809

**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 2009	(c) 2009	(d) 2010
<b>1</b> Distributable amount for 2010 from Part XI, line 7				<b>4,033</b>
<b>2</b> Undistributed income, if any, as of the end of 2010				
<b>a</b> Enter amount for 2009 only				
<b>b</b> Total for prior years 20____, 20____, 20____				
<b>3</b> Excess distributions carryover, if any, to 2010				
<b>a</b> From 2005	<b>190,956</b>			
<b>b</b> From 2006	<b>124,187</b>			
<b>c</b> From 2007	<b>98,951</b>			
<b>d</b> From 2008	<b>74,143</b>			
<b>e</b> From 2009	<b>14,331</b>			
<b>f</b> Total of lines 3a through e	<b>502,568</b>			
<b>4</b> Qualifying distributions for 2010 from Part XII, line 4 ▶ \$ <b>76,809</b>				
<b>a</b> Applied to 2009, but not more than line 2a				
<b>b</b> Applied to undistributed income of prior years (Election required—see page 26 of the instructions)				
<b>c</b> Treated as distributions out of corpus (Election required—see page 26 of the instructions)				
<b>d</b> Applied to 2010 distributable amount				<b>4,033</b>
<b>e</b> Remaining amount distributed out of corpus	<b>72,776</b>			
<b>5</b> Excess distributions carryover applied to 2010 (If an amount appears in column (d), the same amount must be shown in column (a) )				
<b>6</b> Enter the net total of each column as indicated below:				
<b>a</b> Corpus Add lines 3f, 4c, and 4e Subtract line 5	<b>575,344</b>			
<b>b</b> Prior years' undistributed income Subtract line 4b from line 2b				
<b>c</b> 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				
<b>d</b> Subtract line 6c from line 6b Taxable amount—see page 27 of the instructions				
<b>e</b> Undistributed income for 2009 Subtract line 4a from line 2a. Taxable amount—see page 27 of the instructions				
<b>f</b> Undistributed income for 2010 Subtract lines 4d and 5 from line 1 This amount must be distributed in 2011				<b>0</b>
<b>7</b> 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)				
<b>8</b> Excess distributions carryover from 2005 not applied on line 5 or line 7 (see page 27 of the instructions)	<b>190,956</b>			
<b>9</b> Excess distributions carryover to 2011. Subtract lines 7 and 8 from line 6a	<b>384,388</b>			
<b>10</b> Analysis of line 9				
<b>a</b> Excess from 2006	<b>124,187</b>			
<b>b</b> Excess from 2007	<b>98,951</b>			
<b>c</b> Excess from 2008	<b>74,143</b>			
<b>d</b> Excess from 2009	<b>14,331</b>			
<b>e</b> Excess from 2010	<b>72,776</b>			

**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 2010, enter the date of the ruling ▶

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

	Tax year	Prior 3 years			(e) Total
	(a) 2010	(b) 2009	(c) 2008	(d) 2007	
<b>2a</b> Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed					
<b>b</b> 85% of line 2a					
<b>c</b> Qualifying distributions from Part XII, line 4 for each year listed					
<b>d</b> Amounts included in line 2c not used directly for active conduct of exempt activities					
<b>e</b> Qualifying distributions made directly for active conduct of exempt activities Subtract line 2d from line 2c					
<b>3</b> Complete 3a, b, or c for the alternative test relied upon					
<b>a</b> "Assets" alternative test—enter					
<b>(1)</b> Value of all assets					
<b>(2)</b> Value of assets qualifying under section 4942(j)(3)(B)(i)					
<b>b</b> "Endowment" alternative test—enter 2/3 of minimum investment return shown in Part X, line 6 for each year listed					
<b>c</b> "Support" alternative test—enter					
<b>(1)</b> Total support other than gross investment income (interest, dividends, rents, payments on securities loans (section 512(a)(5)), or royalties)					
<b>(2)</b> Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(iii)					
<b>(3)</b> Largest amount of support from an exempt organization					
<b>(4)</b> 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 XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated

Enter gross amounts unless otherwise indicated		Unrelated business income		Excluded by section 512, 513, or 514		(e) Related or exempt function income (See page 28 of the instructions )
		(a) Business code	(b) Amount	(c) Exclusion code	(d) Amount	
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	2,444	
4	Dividends and interest from securities			14	6,561	
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	2,065,317	19
9	Net income or (loss) from special events					
10	Gross profit or (loss) from sales of inventory					
11	Other revenue a					
b	FEDERAL REFUND			14	188	
c						
d						
e						
12	Subtotal. Add columns (b), (d), and (e)		0		2,074,510	19
13	Total. Add line 12, columns (b), (d), and (e)				2,074,529	

(See worksheet in line 13 instructions on page 29 to verify calculations )

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

[illegible]



**Schedule B**  
(Form 990, 990-EZ,  
or 990-PF)  
Department of the Treasury  
Internal Revenue Service

**Schedule of Contributors**

OMB No 1545-0047

**2010**

► Attach to Form 990, 990-EZ, or 990-PF.

Name of the organization

Employer identification number

**ARCANA FOUNDATION, INC**

**52-1515952**

Organization type (check one)

Filers of:

Section:

Form 990 or 990-EZ

☐ 501(c)( ) (enter number) organization

☐ 4947(a)(1) nonexempt charitable trust **not** treated as a private foundation

☐ 527 political organization

Form 990-PF

☒ 501(c)(3) exempt private foundation

☐ 4947(a)(1) nonexempt charitable trust treated as a private foundation

☐ 501(c)(3) taxable private foundation

Check if your organization is covered by the **General Rule** or a **Special Rule**.

**Note.** Only a section 501(c)(7), (8), or (10) organization can check boxes for both the General Rule and a Special Rule. See instructions.

**General Rule**

- ☒ For an organization filing Form 990, 990-EZ, or 990-PF that received, during the year, \$5,000 or more (in money or property) from any one contributor. Complete Parts I and II.

**Special Rules**

- ☐ For a section 501(c)(3) organization filing Form 990 or 990-EZ that met the 33 1/3% support test of the regulations under sections 509(a)(1) and 170(b)(1)(A)(vi), and received from any one contributor, during the year, a contribution of the greater of (1) \$5,000 or (2) 2% of the amount on (i) Form 990, Part VIII, line 1h or (ii) Form 990-EZ, line 1. Complete Parts I and II.

- ☐ For a section 501(c)(7), (8), or (10) organization filing Form 990 or 990-EZ that received from any one contributor, during the year, aggregate contributions of more than \$1,000 for use exclusively for religious, charitable, scientific, literary, or educational purposes, or the prevention of cruelty to children or animals. Complete Parts I, II, and III.

- ☐ For a section 501(c)(7), (8), or (10) organization filing Form 990 or 990-EZ that received from any one contributor, during the year, contributions for use exclusively for religious, charitable, etc., purposes, but these contributions did not aggregate to more than \$1,000. If this box is checked, enter here the total contributions that were received during the year for an exclusively religious, charitable, etc., purpose. Do not complete any of the parts unless the **General Rule** applies to this organization because it received nonexclusively religious, charitable, etc., contributions of \$5,000 or more during the year. ► \$

**Caution.** An organization that is not covered by the General Rule and/or the Special Rules does not file Schedule B (Form 990, 990-EZ, or 990-PF), but it **must** answer "No" on Part IV, line 2 of its Form 990, or check the box on line H of its Form 990-EZ, or on line 2 of its Form 990-PF, to certify that it does not meet the filing requirements of Schedule B (Form 990, 990-EZ, or 990-PF).

For Paperwork Reduction Act Notice, see the Instructions for Form 990, 990-EZ, or 990-PF.

Schedule B (Form 990, 990-EZ, or 990-PF) (2010)

Name of organization

ARCANA FOUNDATION, INC

Employer identification number

52-1515952

**Part I Contributors** (see instructions)

(a) No.	(b) Name, address, and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
1	LADISLAUS & BEATRIX VON HOFFMANN 2501 FOXHALL ROAD NW  WASHINGTON DC 20007	\$ 3,405,960	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input checked="" type="checkbox"/> (Complete Part II if there is a noncash contribution )
(a) No.	(b) Name, address, and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution )
(a) No.	(b) Name, address, and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution )
(a) No.	(b) Name, address, and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution )
(a) No.	(b) Name, address, and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution )
(a) No.	(b) Name, address, and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution )
(a) No.	(b) Name, address, and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution )



Schedule B (Form 990, 990-EZ, or 990-PF) (2010)

Page 1 of 1 of Part II

Name of organization

ARCANA FOUNDATION, INC

Employer identification number

52-1515952

**Part II Noncash Property** (see instructions)

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
1	BOLOGNA "ABBEY"BIBLE - AUCTIONED	\$ 3,750,000	10/01/01
(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
		\$	
(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
		\$	
(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
		\$	
(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
		\$	
(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
		\$	
(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
		\$	

Form <b>990-PF</b>	<b>Capital Gains and Losses for Tax on Investment Income</b>	<b>2010</b>
For calendar year 2010, or tax year beginning <b>10/01/10</b> , and ending <b>09/30/11</b>		

Name <b>ARCANA FOUNDATION, INC</b>	Employer Identification Number <b>52-1515952</b>
---------------------------------------	---

(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.)
(1) EATON VANCE	P	12/29/08	06/16/20
(2) ISHARES LEHMAN	P	12/14/09	08/04/11
(3) JPMORGAN US LARGE	P	11/09/07	12/23/20
(4) JPMORGAN SHORT DURATION	P	11/09/07	11/10/10
(5) QUEST COMMUNICATIONS	P	01/01/00	07/12/11
(6) ROYAL DUTCH	P	01/01/00	07/08/11
(7) TYCO INTL	P	01/01/00	10/07/10
(8) SALE OF CONTRIBUTED PROPERTY	P	01/01/00	08/19/11
(9) CAPITAL GAIN DIVIDENDS			
(10)			
(11)			
(12)			
(13)			
(14)			
(15)			

(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)
(1) 19,082		15,000	4,082
(2) 51,537		47,225	4,312
(3) 19,036		19,553	-517
(4) 5,000		4,814	186
(5) 13			13
(6) 31			31
(7) 42			42
(8) 3,405,960		1,348,927	2,057,033
(9) 135			135
(10)			
(11)			
(12)			
(13)			
(14)			
(15)			

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(l) Gains (Col. (h) gain minus col. (k), but not less than -0-) or Losses (from col. (h))
(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	
(1)			4,082
(2)			4,312
(3)			-517
(4)			186
(5)			13
(6)			31
(7)			42
(8)			2,057,033
(9)			135
(10)			
(11)			
(12)			
(13)			
(14)			
(15)			

52-1515952

## Federal Statements

Statement 1 - Form 990-PF, Part I, Line 6a - Sale of Assets

Whom Sold	Description	Date Acquired	Date Sold	Sale Price	How Received	Cost	Expense	Depreciation	Net Gain / Loss
CENDANT CORP		1/01/00	11/23/10	\$	PURCHASE	\$	\$	\$	19
TOTAL				\$		0	0	0	19

Statement 2 - Form 990-PF, Part I, Line 11 - Other Income

Description	Revenue per Books	Net Investment Income	Adjusted Net Income
FEDERAL REFUND	\$ 188	\$	\$
TOTAL	\$ 188	\$ 0	\$ 0

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

Description	Total	Net Investment	Adjusted Net	Charitable Purpose
MANAGEMENT I/M EXPENSE	\$ 486	\$ 486	\$	\$
TAX PREPARATION FEE	4,000			
TOTAL	\$ 4,486	\$ 486	\$ 0	\$ 0

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

Description	Total	Net Investment	Adjusted Net	Charitable Purpose
EXCISE TAX	\$ 500	\$	\$	\$
TOTAL	\$ 500	\$ 0	\$ 0	\$ 0

## Federal Statements

52-1515952

## Statement 5 - Form 990-PF, Part I, Line 23 - Other Expenses

Description	Total	Net Investment	Adjusted Net	Charitable Purpose
EXPENSES				
OFFICE EXPENSE	903			903
INSURANCE EXPENSES	906			906
TOTAL	<u>1,809</u>	<u>0</u>	<u>0</u>	<u>1,809</u>

Statement 6 - 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	\$ 164,787	\$ 144,880	COST	\$ 143,448
TOTAL	\$ 164,787	\$ 144,880		\$ 143,448

Statement 7 - 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	\$ 308,229	\$ 307,713	COST	\$ 313,918
TOTAL	\$ 308,229	\$ 307,713		\$ 313,918

Statement 8 - 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	\$ 0	\$ 0	COST	\$ 0
TOTAL	\$ 0	\$ 0		\$ 0

**Statement 9 - Form 990-PF, Part II, Line 22 - Other Liabilities**

Description	Beginning of Year	End of Year
MORGAN I/M FEE PAYABLE	\$ 147	\$
TOTAL	\$ 147	\$ 0

**Statement 10 - Form 990-PF, Part III, Line 3 - Other Increases**

Description	Amount
NON DIVIDEND DISTRIBUTIONS	\$ 9
TOTAL	\$ 9

**Statement 11 - Form 990-PF, Part III, Line 5 - Other Decreases**

Description	Amount
ADJUSTM TO RECONCILE COST TO MKT OF CONTRIB. PROP.	\$ 2,057,033
TOTAL	\$ 2,057,033

52-1515952

## Federal Statements

4/4/2012 4:08 PM

Statement 12 - Form 990-PF, Part VIII, Line 1 - List of Officers, Directors, Trustees,  
Etc.

Name and Address	Title	Average Hours	Compensation	Benefits	Expenses
HOLLY KENNEDY PASSANTINO 200 60TH STREET ATP# 34A NEW YORK NY 10065	SECRETARY	1.00	0	0	0
LADISLAUS VON HOFFMANN 2501 FOXHALL RD NORTHWEST WASHINGTON DC DC 20007	PR, TR, DIR	6.00	0	0	0
BEATRIX VON HOFFMAN 2501 FOXHALL RD NORTHWEST WASHINGTON DC DC 20007	VICE PR, DIR	3.00	0	0	0
ALEXANDRA VON HOFFMANN 1300 GRAYBAR LANE NASHVILLE TN 37215	DIRECTOR	2.00	0	0	0
PAULA HANSEN 1700 MASON HILL DRIVE ALEXANDRIA VA 22307	DIRECTOR	6.00	0	0	0

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

Name of Manager	Amount
NONE	\$
TOTAL	\$ 0



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



00012544 DPB 802 165 27411 NNNNNNNNNNT 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 9/1/11 to 9/30/11

### J.P. Morgan Team

Lauren Anastasio (877) 298-8323  
Anthony Pangia  
For assistance after business hours, 7 days a week  
Hearing Impaired (800) 576-6209  
Online access [www.morganonline.com](http://www.morganonline.com) (800) 242-7383



00125440101000000021

## JPMorgan Classic Business Checking

Checking Account Summary	Instances	Amount
Beginning Balance		10,693.31
Ending Balance	0	

\$ 10,693.31	
(180.00)	Less outstanding checks, cleared later
(365.00)	
\$ 10,148.31	09/30/2011 Cash Balance

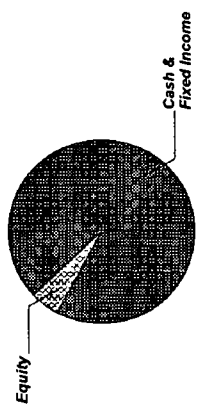
Please note this account had no activity during this statement period. The date of the statement is 09/30/2011.



ARCANA FOUNDATION INC ACCT A21504005  
For the Period 9/1/11 to 9/30/11

## Account Summary

Asset Allocation				
Asset Allocation	Beginning Market Value	Ending Market Value	Change In Value	Estimated Annual Income Current Allocation
Equity	155,667.11	143,447.51	(12,219.60)	1,546.57 5%
Cash & Fixed Income	3,712,922.24	3,711,406.56	(1,515.68)	7,322.75 95%
Market Value	\$3,868,589.35	\$3,854,854.07	(\$13,735.28)	\$8,869.32 100%
Accruals	597.62	648.97	51.35	
Market Value with Accruals	\$3,869,186.97	\$3,855,503.04	(\$13,683.93)	



Portfolio Activity		
	Current Period Value	Year-to-Date Value
Beginning Market Value	3,868,589.35	522,354.96
Contributions		3,406,147.70
Withdrawals & Fees	(300.00)	(83,087.64)
Net Contributions/Withdrawals	(\$300.00)	\$3,323,060.06
Income & Distributions	643.09	9,437.44
Change In Investment Value	(14,078.37)	1.61
Ending Market Value	\$3,854,854.07	\$3,854,854.07
Accruals	648.97	648.97
Market Value with Accruals	\$3,855,503.04	\$3,855,503.04



ARCANA FOUNDATION INC ACCT A21504005  
For the Period 9/1/11 to 9/30/11

Account Summary CONTINUED

Tax Summary	Current Period Value	Year-to-Date Value
Domestic Dividends/Distributions	606 75	9,397 60
Interest Income	36 34	39 84
<b>Taxable Income</b>	<b>\$643.09</b>	<b>\$9,437.44</b>

	Current Period Value	Year-to-Date Value
LT Capital Gain Distributions		135 22
LT Realized Gain/Loss		8,167 85
<b>Realized Gain/Loss</b>		<b>\$8,303.07</b>

	To-Date Value
<b>Unrealized Gain/Loss</b>	<b>\$4,772.90</b>

Cost Summary	Cost
Equity	144,879 75
Cash & Fixed Income	3,705,201 42
<b>Total</b>	<b>\$3,850,081.17</b>

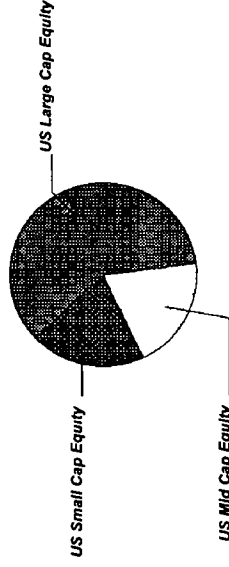


ARCANA FOUNDATION INC ACCT. A21504005  
For the Period 9/1/11 to 9/30/11

## Equity Summary

Asset Categories	Beginning Market Value	Ending Market Value	Change In Value	Current Allocation
US Large Cap Equity	117,144.01	108,393.75	(8,750.26)	3%
US Mid Cap Equity	25,300.80	23,351.16	(1,949.64)	1%
US Small Cap Equity	13,222.30	11,702.60	(1,519.70)	1%
<b>Total Value</b>	<b>\$155,667.11</b>	<b>\$143,447.51</b>	<b>(\$12,219.60)</b>	<b>5%</b>

Market Value/Cost	Current Period Value
Market Value	143,447.51
Tax Cost	144,879.75
Unrealized Gain/Loss	(1,432.24)
Estimated Annual Income	1,546.57
Accrued Dividends	26.94
Yield	1.07%



Equity as a percentage of your portfolio - 5 %

## Equity Detail

	Price	Quantity	Value	Adjusted Tax Cost Original Cost	Unrealized Gain/Loss	Est Annual Inc Accrued Div.	Yield
<b>US Large Cap Equity</b>							
JPM EQUITY INCOME FD - SEL 4812C0-49-8 HLIE X	8.38	1,584.957	13,281.94	14,645.00	(1,363.06)	309.06 26.94	2.33%
JPM INTREPID GROWTH FD - SEL 4812A2-20-7 JPGS X	20.91	1,532.335	32,041.12	29,436.15	2,604.97	294.20	0.92%

J.P.Morgan



ARCANA FOUNDATION INC ACCT. A21504005  
For the Period 9/1/11 to 9/30/11

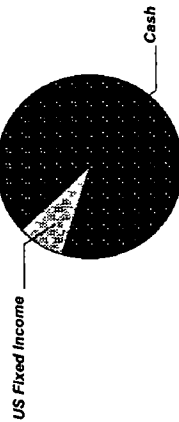
	Price	Quantity	Value	Adjusted Tax Cost Original Cost	Unrealized Gain/Loss	Est. Annual Inc. Accrued Div.	Yield
<b>US Large Cap Equity</b>							
JPM US LRGE CAP CORE PLUS FD - SEL 4812A2-38-9 JLPS X	18 03	2,908 186	52,434 59	55,447 38	(3,012 79)	258 82	0 49 %
SPDR S&P 500 ETF TRUST 78462F-10-3 SPY	113.15	94 000	10,636.10	10,308 04	328 06	231.14	2.17 %
Total US Large Cap Equity			\$108,393.75	\$109,836.57	(\$1,442.82)	\$1,093.22 \$26.94	1.01 %
<b>US Mid Cap Equity</b>							
JPM MID CAP VALUE FD - SEL 339183-10-5 JMVS X	20 96	1,114 082	23,351 16	25,000 00	(1,648 84)	266 26	1 14 %
<b>US Small Cap Equity</b>							
ISHARES RUSSELL 2000 INDEX FUND 464287-65-5 IWM	64 30	182,000	11,702 60	10,043 18	1,659 42	187 09	1.60 %



ARCANA FOUNDATION INC ACCT. A21504005  
For the Period 9/1/11 to 9/30/11

## Cash & Fixed Income Summary

Asset Categories	Beginning Market Value	Ending Market Value	Change In Value	Current Allocation
Cash	3,397,145 51	3,397,488 60	343 09	87%
US Fixed Income	315,776 73	313,917 96	(1,858 77)	8%
<b>Total Value</b>	<b>\$3,712,922.24</b>	<b>\$3,711,406.56</b>	<b>(\$1,515.68)</b>	<b>95%</b>



Market Value/Cost	Current Period Value
Market Value	3,711,406 56
Tax Cost	3,705,201 42
Unrealized Gain/Loss	6,205 14
Estimated Annual Income	7,322 75
Accrued Interest	622 03
Yield	0 19%

Cash & Fixed Income as a percentage of your portfolio - 95 %

### SUMMARY BY TYPE

Cash & Fixed Income	Market Value	% of Bond Portfolio
Cash	3,397,488 60	91%
International Bonds	7,627 69	1%
Mutual Funds	306,290 27	8%
<b>Total Value</b>	<b>\$3,711,406.56</b>	<b>100%</b>

### SUMMARY BY MATURITY

Cash & Fixed Income	Market Value	% of Bond Portfolio
0-6 months <sup>1</sup>	3,711,406 56	100%

<sup>1</sup> 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.



ARCANA FOUNDATION INC ACCT. A21504005  
For the Period 9/1/11 to 9/30/11

Note <sup>1</sup> 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 & Fixed Income Detail

	Price	Quantity	Value	Adjusted Tax Cost	Unrealized	Est Annual Income	Yield
				Original Cost	Gain/Loss	Accrued Interest	
<b>Cash</b>							
US DOLLAR	1.00	3,397,488.60	3,397,488.60	3,397,488.60		1,019.24	0.03 % <sup>1</sup>
<b>US Fixed Income</b>							
JPM STR INC OPP FD 4812A4-35-1	11.31	674.42	7,627.69	7,843.50	(215.81)	221.20	2.90 %
EATON VANCE MUT FDS TR FLT RT CL I 277911-49-1	8.66	923.00	7,993.18	7,845.50	147.68	340.58	4.26 %
JPM HIGH YIELD FD - SEL 4812C0-80-3	7.49	1,362.69	10,206.58	10,601.76	(395.18)	840.78	8.24 %
JPM SHORT DURATION BOND FD - SEL 4812C1-33-0	10.98	21,607.02	237,245.07	229,898.68	7,346.39	3,932.47	1.66 %
JPM TRI INFL MANAGED BD - SEL 48121A-56-3	10.50	4,842.42	50,845.44	51,523.38	(677.94)	968.48	1.90 %
Total US Fixed Income			\$313,917.96	\$307,712.82	\$6,205.14	\$6,303.51	2.01 %
						\$538.25	

Form **8868**  
(Rev. January 2011)**Application for Extension of Time To File an  
Exempt Organization Return**

OMB No 1545-1709

Department of the Treasury  
Internal Revenue Service► **File a separate application for each return.**

- If you are filing for an **Automatic 3-Month Extension**, complete only **Part I** and check this box ☒
- If you are filing for an **Additional (Not Automatic) 3-Month Extension**, complete only **Part II** (on page 2 of this form)

**Do not complete Part II unless you have already been granted an automatic 3-month extension on a previously filed Form 8868**

**Electronic filing (e-file).** You can electronically file Form 8868 if you need a 3-month automatic extension of time to file (6 months for a corporation required to file Form 990-T), or an additional (not automatic) 3-month extension of time. You can electronically file Form 8868 to request an extension of time to file any of the forms listed in Part I or Part II with the exception of Form 8870, Information Return for Transfers Associated With Certain Personal Benefit Contracts, which must be sent to the IRS in paper format (see instructions). For more details on the electronic filing of this form, visit [www.irs.gov/efile](http://www.irs.gov/efile) and click on e-file for Charities & Nonprofits.

**Part I Automatic 3-Month Extension of Time. Only submit original (no copies needed).**

A corporation required to file Form 990-T and requesting an automatic 6-month extension-check this box and complete

Part I only ☐

All other corporations (including 1120-C filers), partnerships, REMICs, and trusts must use Form 7004 to request an extension of time to file income tax returns

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

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-T (corporation)	07
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

**1156 FIFTEENTH STR NW****1156 FIFTEENTH STR NW**

- The books are in the care of ► **WASHINGTON**

**DC 20005**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

**1** I request an automatic 3-month (6 months for a corporation required to file Form 990-T) extension of time until **05/15/12**, to file the exempt organization return for the organization named above. The extension is for the organization's return for

► ☐ calendar year \_\_\_\_\_ or  
 ► ☒ tax year beginning **10/01/10**, and ending **09/30/11**

**2** If this tax year entered in line 1 is for less than 12 months, check reason ☐ Initial return ☐ Final return  
☐ Change in accounting period

<b>3a</b> 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	<b>3a</b>	\$	<b>42,000</b>
<b>b</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	<b>3b</b>	\$	<b>0</b>
<b>c</b> <b>Balance due.</b> Subtract line 3b from line 3a. Include your payment with this form, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions	<b>3c</b>	\$	<b>42,000</b>

**Caution.** If you are going to make an electronic fund withdrawal with this Form 8868, see Form 8453-EO and Form 8879-EO for payment instructions

For Paperwork Reduction Act Notice, see Instructions.  
DAA

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