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

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

For calendar year 2012 or tax year beginning **OCTOBER 1**, 2012, and ending **SEPTEMBER 30**, 20 **13**

Name of foundation ARCANA FOUNDATION		A Employer identification number 52-1515952	
Number and street (or P O box number if mail is not delivered to street address) 1156 FIFTEENTH STREET, NW, SUITE 605		B Telephone number (see instructions) 202-789-7270	
City or town, state, and ZIP code WASHINGTON, DC 20005		C If exemption application is pending, check here <input type="checkbox"/>	
G Check all that apply: <input type="checkbox"/> Initial return <input type="checkbox"/> Initial return of a former public charity <input type="checkbox"/> Final return <input type="checkbox"/> Amended return <input type="checkbox"/> Address change <input type="checkbox"/> Name change		D 1. Foreign organizations, check here <input type="checkbox"/> 2. Foreign organizations meeting the 85% test, check here and attach computation <input type="checkbox"/>	
H Check type of organization: <input checked="" type="checkbox"/> Section 501(c)(3) exempt private foundation <input type="checkbox"/> Section 4947(a)(1) nonexempt charitable trust <input type="checkbox"/> Other taxable private foundation		E If private foundation status was terminated under section 507(b)(1)(A), check here <input type="checkbox"/>	
I Fair market value of all assets at end of year (from Part II, col. (c), line 16) \$ 3,946,517		F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here <input type="checkbox"/>	
J Accounting method: <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other (specify) _____			

Part I Analysis of Revenue and Expenses (The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a) (see instructions).)		(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
1 Contributions, gifts, grants, etc., received (attach schedule)					
2 Check <input type="checkbox"/> if the foundation is not required to attach Sch. B					
3 Interest on savings and temporary cash investments					
4 Dividends and interest from securities		84,365	84,365		
5a Gross rents					
b Net rental income or (loss)					
6a Net gain or (loss) from sale of assets not on line 10		18,623			
b Gross sales price for all assets on line 6a 297,857					
7 Capital gain net income (from Part IV, line 2)			18,623		
8 Net short-term capital gain					
9 Income modifications					
10a Gross sales less returns and allowances					
b Less: Cost of goods sold					
c Gross profit or (loss) (attach schedule)					
11 Other income (attach schedule)		8,188			
12 Total. Add lines 1 through 11		111,176	102,988		
13 Compensation of officers, directors, trustees, etc.					
14 Other employee salaries and wages					
15 Pension plans, employee benefits					
16a Legal fees (attach schedule)		2,400			
b Accounting fees (attach schedule)					
c Other professional fees (attach schedule)		7,950	7,950		
17 Interest					
18 Taxes (attach schedule) (see instructions)		1,792			
19 Depreciation (attach schedule) and depletion					
20 Occupancy					
21 Travel, conferences, and meetings					
22 Printing and publications					
23 Other expenses (attach schedule)		1,743			1,743
24 Total operating and administrative expenses. Add lines 13 through 23		13,885	7,950		1,743
25 Contributions, gifts, grants paid		170,000			170,000
26 Total expenses and disbursements. Add lines 24 and 25		183,885	7,950		171,743
27 Subtract line 26 from line 12:					
a Excess of revenue over expenses and disbursements		-72,709			
b Net investment income (if negative, enter -0-)			95,038		
c Adjusted net income (if negative, enter -0-)					

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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	21,940	13,597	13,597
	2 Savings and temporary cash investments	263,133	182,543	182,543
	3 Accounts receivable ▶			
	Less: allowance for doubtful accounts ▶	7,594	3,241	3,241
	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 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)	1,161,898	1,211,951	1,615,482
	c Investments—corporate bonds (attach schedule)	2,161,776	2,120,914	2,131,654
	11 Investments—land, buildings, and equipment: basis ▶			
Liabilities	Less: accumulated depreciation (attach schedule) ▶			
	12 Investments—mortgage loans			
	13 Investments—other (attach schedule)			
	14 Land, buildings, and equipment: basis ▶			
	Less: accumulated depreciation (attach schedule) ▶			
	15 Other assets (describe ▶)			
	16 Total assets (to be completed by all filers—see the instructions. Also, see page 1, item I)	3,616,341	3,532,246	3,946,517
	17 Accounts payable and accrued expenses	31,500	28,300	
	18 Grants payable			
	19 Deferred revenue	8,186		
Net Assets or Fund Balances	20 Loans from officers, directors, trustees, and other disqualified persons			
	21 Mortgages and other notes payable (attach schedule)			
	22 Other liabilities (describe ▶)			
	23 Total liabilities (add lines 17 through 22)	39,686	28,300	
	Foundations that follow SFAS 117, check here ▶ <input type="checkbox"/> and complete lines 24 through 26 and lines 30 and 31.			
	24 Unrestricted			
	25 Temporarily restricted			
	26 Permanently restricted			
	Foundations that do not follow SFAS 117, check here ▶ <input checked="" type="checkbox"/> and complete lines 27 through 31.			
	27 Capital stock, trust principal, or current funds			
	28 Paid-in or capital surplus, or land, bldg., and equipment fund			
	29 Retained earnings, accumulated income, endowment, or other funds	3,576,655	3,503,946	
	30 Total net assets or fund balances (see instructions)	3,576,655	3,503,946	
	31 Total liabilities and net assets/fund balances (see instructions)	3,616,341	3,532,246	

Part III Analysis of Changes in Net Assets or Fund Balances

1 Total net assets or fund balances at beginning of year—Part II, column (a), line 30 (must agree with end-of-year figure reported on prior year's return)	1	3,576,655
2 Enter amount from Part I, line 27a	2	-72,709
3 Other increases not included in line 2 (itemize) ▶	3	
4 Add lines 1, 2, and 3	4	
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	3,503,946

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 ATTACHMENT		P		
b CAPITAL GAIN DIVIDENDS				
c				
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 297,857		295,188	2,669	
b			15,954	
c				
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				
b				
c				
d				
e				
2 Capital gain net income or (net capital loss) { If gain, also enter in Part I, line 7 If (loss), enter -0- in Part I, line 7 }		2	18,623	
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 instructions). If (loss), enter -0- in Part I, line 8		3		

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

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

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

Was the foundation liable for the section 4942 tax on the distributable amount of any year in the base period? ☐ Yes ☒ No
 If "Yes," the foundation does not qualify under section 4940(e). Do not complete this part.

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (col (b) divided by col (c))
2011	286,466	3,742,942	0.076535
2010	76,809	910,198	0.084387
2009	39,650	511,303	0.077547
2008	100,745	538,285	0.187159
2007	131,019	651,161	0.201208
2 Total of line 1, column (d)			2 .626836
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 .1253672
4 Enter the net value of noncharitable-use assets for 2012 from Part X, line 5			4 3,816,904
5 Multiply line 4 by line 3			5 478,515
6 Enter 1% of net investment income (1% of Part I, line 27b)			6 950
7 Add lines 5 and 6			7 479,465
8 Enter qualifying distributions from Part XII, line 4 If line 8 is equal to or greater than line 7, check the box in Part VI, line 1b, and complete that part using a 1% tax rate. See the Part VI instructions.			8 171,743

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

1a	Exempt operating foundations described in section 4940(d)(2), check here <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		1,901
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		
3	Add lines 1 and 2	3		1,901
4	Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)	4		
5	Tax based on investment income. Subtract line 4 from line 3. If zero or less, enter -0-	5		1,901
6	Credits/Payments:			
a	2012 estimated tax payments and 2011 overpayment credited to 2012	6a	1,300	
b	Exempt foreign organizations—tax withheld at source	6b		
c	Tax paid with application for extension of time to file (Form 8868)	6c	3,000	
d	Backup withholding erroneously withheld	6d		
7	Total credits and payments. Add lines 6a through 6d	7		4,300
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		2,399
11	Enter the amount of line 10 to be: Credited to 2013 estimated tax 2,399 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?		✓
b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see Instructions for the definition)? <i>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.</i>		✓
c Did the foundation file Form 1120-POL for this year?		✓
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? <i>If "Yes," attach a detailed description of the activities.</i>		✓
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? <i>If "Yes," attach a conformed copy of the changes</i>		✓
4a Did the foundation have unrelated business gross income of \$1,000 or more during the year?		✓
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? <i>If "Yes," attach the statement required by General Instruction T.</i>		✓
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?	✓	
7 Did the foundation have at least \$5,000 in assets at any time during the year? <i>If "Yes," complete Part II, col. (c), and Part XV</i>	✓	
8a Enter the states to which the foundation reports or with which it is registered (see instructions) ▶		
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 <i>General Instruction G</i> ? <i>If "No," attach explanation</i>	✓	
9 Is the foundation claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 2012 or the taxable year beginning in 2012 (see instructions for Part XIV)? <i>If "Yes," complete Part XIV</i>		✓
10 Did any persons become substantial contributors during the tax year? <i>If "Yes," attach a schedule listing their names and addresses</i>		✓

Part VII-A Statements Regarding Activities (continued)

11	At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," attach schedule (see instructions)	11		✓
12	Did the foundation make a distribution to a donor advised fund over which the foundation or a disqualified person had advisory privileges? If "Yes," attach statement (see instructions)	12		✓
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application? Website address ► N/A	13	✓	
14	The books are in care of ► MS. PAULA HANSEN Telephone no. ► 202-789-7270 Located at ► 1156 FIFTEENTH STR NW, WASHINGTON DC 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			
16	At any time during calendar year 2012, did the foundation have an interest in or a signature or other authority over a bank, securities, or other financial account in a foreign country? See the instructions for exceptions and filing requirements for Form TD F 90-22.1. If "Yes," enter the name of the foreign country ►	16	Yes	No
				✓

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 instructions)? Organizations relying on a current notice regarding disaster assistance check here ► <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 2012?	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 2012, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2012? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If "Yes," list the years ► 20 , 20 , 20 , 20		
b	Are there any years listed in 2a for which the foundation is not applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to all years listed, answer "No" and attach statement—see instructions.)	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 2012 as a result of (1) any purchase by the foundation or disqualified persons after May 26, 1969; (2) the lapse of the 5-year period (or longer period approved by the Commissioner under section 4943(c)(7)) to dispose of holdings acquired by gift or bequest; or (3) the lapse of the 10-, 15-, or 20-year first phase holding period? (Use Schedule C, Form 4720, to determine if the foundation had excess business holdings in 2012.)	3b	
4a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	4a	✓
b	Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2012?	4b	✓

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 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 instructions)? ☐ Yes ☒ No
- 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? ☐ 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? ☐ Yes ☒ No
- 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? ☐ Yes ☒ No

5b		
6b		✓
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 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 ATTACHED LISTING				

2 Compensation of five highest-paid employees (other than those included on line 1—see 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 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 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 instructions		
3		
Total. Add lines 1 through 3		

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

1	Fair market value of assets not used (or held for use) directly in carrying out charitable, etc., purposes:		
a	Average monthly fair market value of securities	1a	3,669,923
b	Average of monthly cash balances	1b	205,107
c	Fair market value of all other assets (see instructions)	1c	
d	Total (add lines 1a, b, and c)	1d	3,875,029
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	1e	
2	Acquisition indebtedness applicable to line 1 assets	2	
3	Subtract line 2 from line 1d	3	3,875,029
4	Cash deemed held for charitable activities. Enter 1 1/2 % of line 3 (for greater amount, see instructions)	4	58,125
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	3,816,904
6	Minimum investment return. Enter 5% of line 5	6	190,845

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

1	Minimum investment return from Part X, line 6	1	190,845
2a	Tax on investment income for 2012 from Part VI, line 5	2a	1,901
b	Income tax for 2012. (This does not include the tax from Part VI.)	2b	
c	Add lines 2a and 2b	2c	1,901
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	188,944
4	Recoveries of amounts treated as qualifying distributions	4	
5	Add lines 3 and 4	5	188,944
6	Deduction from distributable amount (see instructions)	6	
7	Distributable amount as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1	7	188,944

Part XII Qualifying Distributions (see instructions)

1	Amounts paid (including administrative expenses) to accomplish charitable, etc., purposes:		
a	Expenses, contributions, gifts, etc.—total from Part I, column (d), line 26	1a	171,743
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	171,743
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 instructions)	5	
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6	171,743

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

Part XIII Undistributed Income (see instructions)

	(a) Corpus	(b) Years prior to 2011	(c) 2011	(d) 2012
1 Distributable amount for 2012 from Part XI, line 7				188,944
2 Undistributed income, if any, as of the end of 2012:				
a Enter amount for 2011 only			0	
b Total for prior years: 20____, 20____, 20____		0		
3 Excess distributions carryover, if any, to 2012:				
a From 2007	98,951			
b From 2008	74,143			
c From 2009	14,331			
d From 2010	72,776			
e From 2011	100,919			
f Total of lines 3a through e	361,120			
4 Qualifying distributions for 2012 from Part XII, line 4: ► \$ 171,743				
a Applied to 2011, but not more than line 2a			0	
b Applied to undistributed income of prior years (Election required—see instructions)		0		
c Treated as distributions out of corpus (Election required—see instructions)	0			
d Applied to 2012 distributable amount				171,743
e Remaining amount distributed out of corpus				
5 Excess distributions carryover applied to 2012 (If an amount appears in column (d), the same amount must be shown in column (a).)	17,201			17,201
6 Enter the net total of each column as indicated below:				
a Corpus. Add lines 3f, 4c, and 4e. Subtract line 5	343,919			
b Prior years' undistributed income. Subtract line 4b from line 2b		0		
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed		0		
d Subtract line 6c from line 6b. Taxable amount—see instructions		0		
e Undistributed income for 2011. Subtract line 4a from line 2a. Taxable amount—see instructions			0	
f Undistributed income for 2012. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2013				0
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (see instructions)	0			
8 Excess distributions carryover from 2007 not applied on line 5 or line 7 (see instructions)	81,750			
9 Excess distributions carryover to 2013. Subtract lines 7 and 8 from line 6a	262,169			
10 Analysis of line 9:				
a Excess from 2008	74,143			
b Excess from 2009	14,331			
c Excess from 2010	72,776			
d Excess from 2011	100,919			
e Excess from 2012	0			

Part XIV Private Operating Foundations (see 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 2012, 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) 2012	(b) 2011	(c) 2010	(d) 2009	
2a Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed					
b 85% of line 2a					
c Qualifying distributions from Part XII, line 4 for each year listed					
d Amounts included in line 2c not used directly for active conduct of exempt activities					
e Qualifying distributions made directly for active conduct of exempt activities. Subtract line 2d from line 2c					
3 Complete 3a, b, or c for the alternative test relied upon:					
a "Assets" alternative test—enter:					
(1) Value of all assets					
(2) Value of assets qualifying under section 4942(j)(3)(B)(i)					
b "Endowment" alternative test—enter $\frac{2}{3}$ of minimum investment return shown in Part X, line 6 for each year listed					
c "Support" alternative test—enter:					
(1) Total support other than gross investment income (interest, dividends, rents, payments on securities loans (section 512(a)(5)), or royalties)					
(2) Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(iii)					
(3) Largest amount of support from an exempt organization					
(4) Gross investment income					

Part XV Supplementary Information (Complete this part only if the foundation had \$5,000 or more in assets at any time during the year—see instructions.)

1 Information Regarding Foundation Managers:

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

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 instructions) to individuals or organizations under other conditions, complete items 2a, b, c, and d.

a The name, address, and telephone number or e-mail 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 <i>Paid during the year</i>				
NEW FUTURES 1965 BILTMORE STREET NW WASHINGTON, DC	NONE	PUBLIC	GENERAL SUPPORT	40,000
WASHINGTON PERFORMING ARTS SOCIETY 2000 L STREET NW WASHINGTON, DC	NONE	PUBLIC	GENERAL SUPPORT	20,000
WASHINGTON HOSPITAL CENTER 110 IRVING STREET NW WASHINGTON, DC	NONE	PUBLIC	GENERAL SUPPORT	50,000
FREER SACKLER GALLERY 1050 INDEPENDENCE AVE, SW, PO BOX 37012 MRC 707, WASHINGTON DC 20013-7012	NONE	PUBLIC	GENERAL SUPPORT	50,000
COUNCIL FOR COURT EXCELLENCE 1111 14TH STREET NW, SUITE 500 WASHINGTON, DC 20005	NONE	PUBLIC	GENERAL SUPPORT	10,000
Total			3a	170,000
b <i>Approved for future payment</i>				
N/A				
Total			3b	

Enter gross amounts unless otherwise indicated.

Analysis of Income-Producing Activities				
Enter gross amounts unless otherwise indicated.				
	Unrelated business income		Excluded by section 512, 513, or 514	
	(a) Business code	(b) Amount	(c) Exclusion code	(d) Amount
				(e) Related or exempt function income (See instructions.)
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				
4 Dividends and interest from securities			14	84,365
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	18,623
9 Net income or (loss) from special events				
10 Gross profit or (loss) from sales of inventory				
11 Other revenue: a _____				
b _____				
c _____				
d _____				
e _____				
12 Subtotal. Add columns (b), (d), and (e)				102,988
13 Total. Add line 12, columns (b), (d), and (e)				84,695

(See worksheet in line 13 instructions to verify calculations.)

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

ARCANA FOUNDATION
9/30/2013
52-1515952

Part I, Line 11- Other Income

Over accrual of fees	\$ 8,188
----------------------	----------

Part I, Line 16a legal fees

General legal fees	\$ 2,400
--------------------	----------

Part I, Line 16c - Other professional fees

investment management fees	\$ 7,950
----------------------------	----------

Part I, Line 18 Taxes

Excise taxes	\$ 1,792
--------------	----------

Part I, Line 23 - Other expenses

CT Corporation fees	\$ 649
DC registration fees	185
General insurance	909

\$ 1,743
=====

ARCANA FOUNDATION

9/30/2013

52-1515952

capital gains and losses

	Description	Proceeds	Cost	Gain/Loss	
10/3/2012	3875.818 shs Eaton Vance Floating Rate I	35,231	34,882	349	Short
12/12/2012	Securities Litigation-	10		10	Long
7/10/2013	Securities litigation-Tyco international	11		11	Long
8/7/2013	931 shs Vanguard FTSE Emerging mMarkets ETF	35,904	37,693	(1,789)	Long
8/8/2013	1763.33 shs JPM MID CAP Core FD	39,164	28,740	10,424	Long
8/14/2013	15321.055 shs Vanguard Intm Inv G	149,687	155,892	(6,205)	Long
9/16/2013	2697.787 shs Dreyfus EMG MKT Debt	37,850	37,981	(131)	Long
		297,857	295,188	2,669	

ARCANA FOUNDATION
FYE 9/30/13
52-1515952

PART VIII INFORMATION ABOUT OFFICERS, DIRECTORS, TRUSTEES, FOUNDATION MANAGERS,
HIGHLY PAID EMPLOYEES, AND CONTRACTORS

(a) Name and Address	(b) Title and avg hours per wk	(c) Compensation	(d) Contributions to Employee benefit plans and deferred comp	(e) Expense account
Holly Kennedy Passantino 22 Honey Hollow Road, Pound Ridge, NY 10575	Secretary 1 hour	0	0	0
Ladislav von Hoffmann 2501 Foxhall Road, NW, Washington, DC 20007	Pr,Dir 6 hours	0	0	0
Beatrice von Hoffmann 2501 Foxhall Road, NW, Washington, DC 20007	Vice Pr, Dir 3 hours	0	0	0
Alexandra von Hoffmann 1300 Graybar Lane, Nashville, TN 37215	Dir 2 hours	0	0	0
Paula Hansen 1404 Trinity Drive, Alexandria, VA 22314	Tr, Dir 6 hours	0	0	0



ARCANA FOUNDATION INC ACCT A21504005
For the Period 9/1/13 to 9/30/13

Account Summary CONTINUED

Tax Summary	Current Period Value	Year-to-Date Value
Domestic Dividends/Distributions	6,448 08	87,094 99
Interest Income		0 01
Taxable Income	\$6,448 08	\$87,095 00
Tax-Exempt Income		1,624 12
Tax-Exempt Income		\$1,624.12

Cost Summary	Cost
Equity	1,211,950 60
Cash & Fixed Income	2,303,456 97
Total	\$3,515,407 57

	Current Period Value	Year-to-Date Value
LT Capital Gain Distributions		15,955 32
ST Realized Gain/Loss		348 83
LT Realized Gain/Loss	(131 39)	2,318 80
Realized Gain/Loss	(\$131.39)	\$18,622 95
		To-Date Value
Unrealized Gain/Loss		\$414,271 77

J.P.Morgan



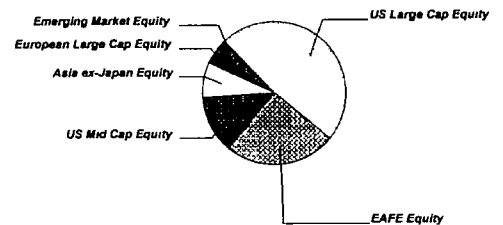
ARCANA FOUNDATION INC ACCT A21504005
For the Period 9/1/13 to 9/30/13

Equity Summary

Asset Categories	Beginning Market Value	Ending Market Value	Change In Value	Current Allocation
US Large Cap Equity	774,223 90	801,211 11	26,987 21	20%
US Mid Cap Equity	196,680 97	204,208 18	7,527 21	5%
EAFE Equity	363,906 07	388,424 40	24,518 33	10%
European Large Cap Equity	42,312 16	45,180 50	2,868 34	1%
Asia ex-Japan Equity	128,733 71	135,478 56	6,744 85	3%
Emerging Market Equity	37,684 29	40,979 70	3,295 41	1%
Total Value	\$1,543,541.10	\$1,615,482.45	\$71,941.35	40%

Market Value/Cost	Current Period Value
Market Value	1,615,482 45
Tax Cost	1,211,950 60
Unrealized Gain/Loss	403,531 85
Estimated Annual Income	26,276 46
Accrued Dividends	1,366 97
Yield	1 62 %

Asset Categories





ARCANA FOUNDATION INC ACCT A21504005
For the Period 9/1/13 to 9/30/13

Equity Detail

	Price	Quantity	Value	Adjusted Tax Cost Original Cost	Unrealized Gain/Loss	Est Annual Inc Accrued Div	Yield
US Large Cap Equity							
JPM EQUITY INCOME FD - SEL FUND 3128 4812C0-49-8 HLIE X	12.23	12,817.572	156,758.91	113,604.34	43,154.57	3,230.02 367.99	2.06%
JPM INTREPID GROWTH FD - SEL FUND 1202 4812A2-20-7 JPGS X	31.45	1,492.152	46,928.18	28,664.23	18,263.95	386.46	0.82%
JPM US EQUITY FD - SEL FUND 1224 4812A1-15-9 JUES X	13.62	15,310.484	208,528.79	151,390.63	57,138.16	2,235.33 478.61	1.07%
JPM US LARGE CAP CORE PLUS FD - SEL FUND 1002 4812A2-38-9 JLPS X	27.21	2,908.186	79,131.74	55,447.38	23,684.36	491.48	0.62%
PARNASSUS EQTY INCOME FD-INV INCOME FUND 701769-10-1 PRBL X	35.28	5,825.660	205,529.28	151,091.19	54,438.09	4,643.05	2.26%
SPDR S&P 500 ETF TRUST 78462F-10-3 SPY	168.01	621.000	104,334.21	77,992.37	26,341.84	2,107.05 520.37	2.02%
Total US Large Cap Equity			\$801,211.11	\$578,190.14	\$223,020.97	\$13,093.39 \$1,366.97	1.63%
US Mid Cap Equity							
JPM MID CAP VALUE FD - SEL FUND 1100 339183-10-5 JMVS X	33.66	3,245.658	109,248.85	75,134.67	34,114.18	1,135.98	1.04%

J.P.Morgan



ARCANA FOUNDATION INC ACCT A21504005
For the Period 9/1/13 to 9/30/13

	Price	Quantity	Value	Adjusted Tax Cost Original Cost	Unrealized Gain/Loss	Est Annual Inc Accrued Div	Yield
US Mid Cap Equity							
JPM MID CAP CORE FD - SEL FUND 2426 48121L-75-9 JMRS X	22.43	4,233,586	94,959.33	67,165.93	27,793.40	639.27	0.67%
Total US Mid Cap Equity			\$204,208.18	\$142,300.60	\$61,907.58	\$1,775.25	0.87%
EAFE Equity							
CAPITAL PRIVATE CLIENT SVCS CAP NON US EQT 14042Y-60-1 CNUS X	11.41	3,537,836	40,366.71	39,163.85	1,202.86	176.89	0.44%
ISHARES MSCI EAFE INDEX FUND 464287-46-5 EFA	63.80	1,136,000	72,477.94	54,372.37	18,105.57	2,000.49	2.76%
MFS INTL VALUE-I 55273E-82-2 MINI X	34.25	8,046,124	275,579.75	199,606.09	75,973.66	4,135.70	1.50%
Total EAFE Equity			\$388,424.40	\$293,142.31	\$95,282.09	\$6,313.08	1.62%
European Large Cap Equity							
VANGUARD FTSE EUROPE ETF 922042-87-4 VGK	54.50	829,000	45,180.50	38,157.79	7,022.71	1,478.10	3.27%



ARCANA FOUNDATION INC ACCT A21504005
For the Period 9/1/13 to 9/30/13

	Pnce	Quantity	Value	Adjusted Tax Cost Original Cost	Unrealized Gain/Loss	Est Annual Inc Accrued Div	Yield
Asia ex-Japan Equity							
ABERDEEN ASIA-PAC XJ-INST EQUITY FUND - INSTITUTIONAL SERVICE SHARES 003021-69-8 AAP1 X	11 65	11,629 061	135,478 56	120,995 91	14,482 65	3,337 54	2 46 %
Emerging Market Equity							
OPPENHEIMER DEVELOPING MKT-Y 683974-50-5 ODVY X	36 56	1,120 889	40,979 70	39,163 85	1,815 85	279 10	0 68 %



ARCANA FOUNDATION INC ACCT A21504005
For the Period 9/1/13 to 9/30/13

Cash & Fixed Income Summary

Asset Categories	Beginning Market Value	Ending Market Value	Change In Value	Current Allocation
Cash	138,244.73	182,542.76	44,298.03	5%
US Fixed Income	2,049,913.36	2,055,420.88	5,507.52	53%
Foreign Exchange & Non-USD Fixed Income	111,161.79	76,233.25	(34,928.54)	2%
Total Value	\$2,299,319.88	\$2,314,196.89	\$14,877.01	60%

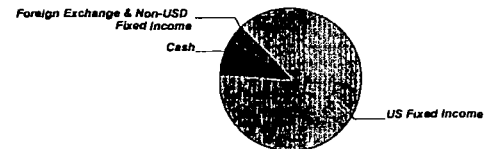
Market Value/Cost	Current Period Value
Market Value	2,314,196.89
Tax Cost	2,303,456.97
Unrealized Gain/Loss	10,739.92
Estimated Annual Income	53,195.16
Accrued Interest	1,873.53
Yield	2.29%

SUMMARY BY MATURITY

Cash & Fixed Income	Market Value	% of Bond Portfolio
0-6 months ¹	2,314,196.89	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.

Asset Categories



Cash & Fixed Income as a percentage of your portfolio - 60 %

SUMMARY BY TYPE

Cash & Fixed Income	Market Value	% of Bond Portfolio
Cash	182,542.76	7%
Mutual Funds	2,131,654.13	93%
Total Value	\$2,314,196.89	100%

J.P.Morgan



ARCANA FOUNDATION INC ACCT A21504005
For the Period 9/1/13 to 9/30/13

Cash & Fixed Income Detail

	Price	Quantity	Value	Adjusted Tax Cost Original Cost	Unrealized Gain/Loss	Est Annual Income Accrued Interest	Yield
Cash							
JPM US GOVT PREMIER SWEEP FD #1086 7-Day Annualized Yield 01%	1 00	182,542 76	182,542 76	182,542 76		18 25 1 30	0 01 %
US Fixed Income							
HARBOR HIGH YIELD BOND-INST 411511-55-3	10 92	15,032 41	164,153 93	161,963 02	2,190 91	9,635 77	5 87 %
DOUBLELINE TOTAL RET BD-I 258620-10-3	10 96	18,315 40	200,736 83	204,094 89	(3,358 06)	10,421 46	5 19 %
EATON VANCE FLOATING RATE-I 277911-49-1	9 14	16,813 07	153,671 43	148,677 74	4,993 69	6,388 96	4 16 %
JPM STRAT INCOME OPPORT FD - SEL FUND 3844 4812A4-35-1	11 84	8,081 60	95,686 11	92,218 58	3,467 53	2,820 47 169 71	2 95 %
JPM CORE BOND FD - SEL FUND 3720 4812C0-38-1	11 63	12,903 97	150,073 12	149,686 00	387 12	4,026 03 335 50	2 68 %
JPM HIGH YIELD FD - SEL FUND 3580 4812C0-80-3	8 07	14,949 25	120,640 48	114,721 67	5,918 81	7,683 91 568 07	6 37 %
JPM SHORT DURATION BOND FD - SEL FUND 3133 4812C1-33-0	10 91	87,262 84	952,037 60	951,008 78	1,028 82	9,511 64 610 84	1 00 %



ARCANA FOUNDATION INC ACCT A21504005
For the Period 9/1/13 to 9/30/13

	Price	Quantity	Value	<u>Adjusted Tax Cost</u> Original Cost	Unrealized Gain/Loss	<u>Est Annual Income</u> Accrued Interest	Yield
US Fixed Income							
JPM INFLATION MGD BOND FD - SEL FUND 2037 48121A-56-3	10 45	20,901 57	218,421 38	222,617 59	(4,196 21)	2,654 49 188 11	1 22 %
Total US Fixed Income			\$2,055,420 88	\$2,044,988 27	\$10,432 61	\$53,142.73 \$1,872 23	2.59 %
Foreign Exchange & Non-USD Fixed Income							
JPM INTL CURR INCOME FD - SEL FUND 3831 4812A3-29-6	11 15	6,837 06	76,233 25	75,925 94	307 31	34 18	0 04 %

**Application for Extension of Time To File an
Exempt Organization Return**

OMB No. 1545-1709

► **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 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.

Enter filer's identifying number, see instructions

Type or print File by the due date for filing your return. See instructions.	Name of exempt organization or other filer, see instructions. ARCANA FOUNDATION	Employer identification number (EIN) or <input type="checkbox"/> 52-1515952
	Number, street, and room or suite no. If a P.O. box, see instructions. 1156 FIFTEENTH STREET, NW, SUITE 605	Social security number (SSN) <input type="checkbox"/>
	City, town or post office, state, and ZIP code. For a foreign address, see instructions. WASHINGTON, DC 20005	

Enter the Return code for the return that this application is for (file a separate application for each return) **0 4**

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	01	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

- The books are in the care of ► **PAULA HANSEN**

Telephone No. ► **202-789-7284**

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 **MAY 15**, 20 **14**, to file the exempt organization return for the organization named above. The extension is for the organization's return for:
- ☐ calendar year 20 ____ or

- ☒ tax year beginning **OCTOBER 1**, 20 **12**, and ending **SEPTEMBER 30**, 20 **13**

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

3a 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.	3a	\$	4,300
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.	3b	\$	1,300
c Balance due. Subtract line 3b from line 3a. Include your payment with this form, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions.	3c	\$	3,000

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 Privacy Act and Paperwork Reduction Act Notice, see Instructions.**

Cat. No. 27916D

Form **8868** (Rev. 1-2012)