

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

Department of the Treasury
Internal Revenue Service (77)

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

For calendar year 2009, or tax year beginning _____, and ending _____

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

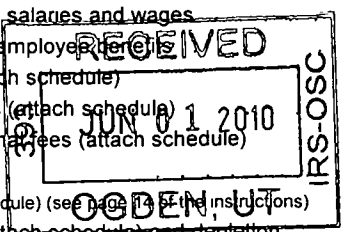
Use the IRS label. Otherwise, print or type. See Specific Instructions.	Name of foundation Aequus Institute	A Employer identification number 52-1620982
	Number and street (or P O box number if mail is not delivered to street address) Room/suite P.O. Box 3485	B Telephone number (see page 10 of the instructions) 800-441-1963
	City or town, state, and ZIP code Elmira NY 14905	C If exemption application is pending, check here <input type="checkbox"/> D 1. Foreign organizations, check here <input type="checkbox"/> 2. Foreign organizations meeting the 85% test, check here and attach computation <input type="checkbox"/> E If private foundation status was terminated under section 507(b)(1)(A), check here <input type="checkbox"/> F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here <input type="checkbox"/>

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) ▶ \$ 3,898,115

J Accounting method Cash Accrual Other (specify) _____
 (Part I, column (d) must be on cash basis)

	(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)	235			
2 Check <input checked="" type="checkbox"/> if the foundation is not required to attach Sch B				
3 Interest on savings and temporary cash investments	279	279		
4 Dividends and interest from securities	116,227	116,227		
5 a Gross rents				
b Net rental income or (loss)				
6 a Net gain or (loss) from sale of assets not on line 10	-25,525			
b Gross sales price for all assets on line 6a <u>306,731</u>				
7 Capital gain net income (from Part IV, line 2)				
8 Net short-term capital gain				
9 Income modifications				
10 a Gross sales less returns and allowances <u>2,466</u>				
b Less Cost of goods sold				
c Gross profit or (loss) (attach schedule)	2,466			
11 Other income (attach schedule)				
12 Total. Add lines 1 through 11	93,682	116,506		
13 Compensation of officers, directors, trustees, etc	61,000	24,250		36,750
14 Other employee salaries and wages	49,500	12,375		37,125
15 Pension plans, employer benefits	16,264	4,066		12,198
16 a Legal fees (attach schedule)	707	177		530
b Accounting fees (attach schedule)	30,948	7,737		23,211
c Other professional fees (attach schedule)	10,030	10,030		
17 Interest				
18 Taxes (attach schedule) (see page 14 of the instructions)	2,089	1,550		
19 Depreciation (attach schedule) and depletion	2,157			
20 Occupancy				
21 Travel, conferences, and meetings	10,433	2,458		7,975
22 Printing and publications	8,637			8,637
23 Other expenses (attach schedule)	15,658			15,658
24 Total operating and administrative expenses. Add lines 13 through 23	207,423	62,643		142,084
25 Contributions, gifts, grants paid	309,000			309,000
26 Total expenses and disbursements. Add lines 24 and 25	516,423	62,643		451,084
27 Subtract line 26 from line 12:				
a Excess of revenue over expenses and disbursements	-422,741			
b Net investment income (if negative, enter -0-)		53,863		
c Adjusted net income (if negative, enter -0-)				



SCANNED BY ADMINISTRATIVE EXPENSES

7P

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				
	2	Savings and temporary cash investments		203,355	129,715	129,715
	3	Accounts receivable ▶ ----- Less allowance for doubtful accounts ▶ -----				
	4	Pledges receivable ▶ ----- Less allowance for doubtful accounts ▶ -----				
	5	Grants receivable				
	6	Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see page 15 of the instructions)				
	7	Other notes and loans receivable (attach schedule) ▶ ----- Less allowance for doubtful accounts ▶ -----				
	8	Inventories for sale or use				
	9	Prepaid expenses and deferred charges		13,848	13,309	13,309
	10 a	Investments—U S and state government obligations (attach schedule)			160,684	160,684
	b	Investments—corporate stock (attach schedule)		98,826	378,176	378,176
	c	Investments—corporate bonds (attach schedule)		876,607	449,024	449,024
	11	Investments—land, buildings, and equipment basis ▶ ----- Less accumulated depreciation (attach schedule) ▶ -----				
	12	Investments—mortgage loans				
	13	Investments—other (attach schedule)		2,014,494	2,766,317	2,766,317
	14	Land, buildings, and equipment: basis ▶ ----- 18,792 Less accumulated depreciation (attach schedule) ▶ ----- 17,902		3,047	890	890
15	Other assets (describe ▶ -----)					
16	Total assets (to be completed by all filers—see the instructions Also, see page 1, item I)		3,210,177	3,898,115	3,898,115	
Liabilities	17	Accounts payable and accrued expenses				
	18	Grants payable		147,500	129,000	
	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 ▶ Deferred taxes -----)			13,073	
	23	Total liabilities (add lines 17 through 22)		147,500	142,073	
Net Assets or Fund Balances	Foundations that follow SFAS 117, check here and complete lines 24 through 26 and lines 30 and 31. ▶ <input checked="" type="checkbox"/>					
	24	Unrestricted		3,062,677	3,756,042	
	25	Temporarily restricted				
	26	Permanently restricted				
	Foundations that do not follow SFAS 117, check here and complete lines 27 through 31. ▶ <input 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					
30	Total net assets or fund balances (see page 17 of the instructions)		3,062,677	3,756,042		
31	Total liabilities and net assets/fund balances (see page 17 of the instructions)		3,210,177	3,898,115		

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	3,062,677
2	Enter amount from Part I, line 27a	2	-422,741
3	Other increases not included in line 2 (itemize) ▶ <u>Unrealized gains on investments</u> -----	3	1,129,179
4	Add lines 1, 2, and 3	4	3,769,115
5	Decreases not included in line 2 (itemize) ▶ <u>Deferred tax provision</u> -----	5	13,073
6	Total net assets or fund balances at end of year (line 4 minus line 5)—Part II, column (b), line 30	6	3,756,042

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 bnck 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 Publicly traded securities		P		
b Acacia partnership activity		P		
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 306,731		327,706	-20,975	
b		4,550	-4,550	
c				
d				
e				
Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(i) 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		
a			-20,975	
b			-4,550	
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	-25,525	
3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6): If gain, also enter in Part I, line 8, column (c) (see pages 13 and 17 of the instructions) If (loss), enter -0- in Part I, line 8		3		

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

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

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

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

1 Enter the appropriate amount in each column for each year; see page 18 of the instructions before making any entries.

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (col. (b) divided by col. (c))
2008	486,508	4,466,830	0.108916
2007	696,051	5,744,377	0.121171
2006	627,734	5,462,219	0.114923
2005	476,374	5,271,604	0.090366
2004	791,564	4,893,872	0.161746
2 Total of line 1, column (d)			0.597122
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			0.119424
4 Enter the net value of noncharitable-use assets for 2009 from Part X, line 5			3,434,274
5 Multiply line 4 by line 3			410,135
6 Enter 1% of net investment income (1% of Part I, line 27b)			539
7 Add lines 5 and 6			410,674
8 Enter qualifying distributions from Part XII, line 4 If line 8 is equal to or greater than line 7, check the box in Part VI, line 1b, and complete that part using a 1% tax rate. See the Part VI instructions on page 18.			451,084

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

1	a 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)	1	539
	b Domestic foundations that meet the section 4940(e) requirements in Part V, check here <input checked="" type="checkbox"/> and enter 1% of Part I, line 27b		
	c All other domestic foundations enter 2% of line 27b Exempt foreign organizations enter 4% of Part I, line 12, col (b)		
2	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	539
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	539
6	Credits/Payments		
	a 2009 estimated tax payments and 2008 overpayment credited to 2009	6a	13,848
	b Exempt foreign organizations—tax withheld at source	6b	
	c Tax paid with application for extension of time to file (Form 8868)	6c	
	d Backup withholding erroneously withheld	6d	
7	Total credits and payments Add lines 6a through 6d	7	13,848
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	13,309
11	Enter the amount of line 10 to be Credited to 2010 estimated tax <input type="checkbox"/> 13,309 Refunded <input type="checkbox"/>	11	

Part VII-A Statements Regarding Activities

	Yes	No
1 a During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?		X
b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see page 19 of the instructions for definition)? <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>		X
c Did the foundation file Form 1120-POL for this year?		X
d Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year. (1) On the foundation <input type="checkbox"/> \$ _____ (2) On foundation managers <input type="checkbox"/> \$ _____		
e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers <input type="checkbox"/> \$ _____		
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>		X
3 Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? <i>If "Yes," attach a conformed copy of the changes</i>		X
4 a Did the foundation have unrelated business gross income of \$1,000 or more during the year?		X
b If "Yes," has it filed a tax return on Form 990-T for this year?	N/A	
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?	X	
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>	X	
8 a Enter the states to which the foundation reports or with which it is registered (see page 19 of the instructions) <input type="checkbox"/> NY		
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? <i>If "No," attach explanation</i>	X	
9 Is the foundation claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 2009 or the taxable year beginning in 2009 (see instructions for Part XIV on page 27)? <i>If "Yes," complete Part XIV</i>		X
10 Did any persons become substantial contributors during the tax year? <i>If "Yes," attach a schedule listing their names and addresses</i>		X

Part VII-A Statements Regarding Activities (continued)

11	At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," attach schedule (see page 20 of the instructions)	11		X
12	Did the foundation acquire a direct or indirect interest in any applicable insurance contract before August 17, 2008?	12		X
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application? Website address ▶ <u>www.aequus.org</u>	13	X	
14	The books are in care of ▶ <u>Nancy Padilla</u> Telephone no ▶ <u>800-441-1963</u> Located at ▶ <u>Post Office Box 3485 Elmira NY</u> ZIP+4 ▶ <u>14905</u>			
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 ▶ <u>15</u>			<input type="checkbox"/>

Part VII-B Statements Regarding Activities for Which Form 4720 May Be Required

File Form 4720 if any item is checked in the "Yes" column, unless an exception applies.		Yes	No
1a	During the year did the foundation (either directly or indirectly)		
(1)	Engage in the sale or exchange, or leasing of property with a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(2)	Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(3)	Furnish goods, services, or facilities to (or accept them from) a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(4)	Pay compensation to, or pay or reimburse the expenses of, a disqualified person? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
(5)	Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(6)	Agree to pay money or property to a government official? (Exception. Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days) <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
b	If any answer is "Yes" to 1a(1)–(6), did any of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see page 20 of the instructions)? Organizations relying on a current notice regarding disaster assistance check here ▶ <input type="checkbox"/>	1b	X
c	Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2009?	1c	X
2	Taxes on failure to distribute income (section 4942) (does not apply for years the foundation was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5)).		
a	At the end of tax year 2009, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2009? <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 page 20 of the instructions)	2b	N/A
c	If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here ▶ 20____, 20____, 20____, 20____		
3a	Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
b	If "Yes," did it have excess business holdings in 2009 as a result of (1) any purchase by the foundation or disqualified persons after May 26, 1969, (2) the lapse of the 5-year period (or longer period approved by the Commissioner under section 4943(c)(7)) to dispose of holdings acquired by gift or bequest; or (3) the lapse of the 10-, 15-, or 20-year first phase holding period? (Use Schedule C, Form 4720, to determine if the foundation had excess business holdings in 2009)	3b	N/A
4a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	4a	X
b	Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2009?	4b	X

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

5a During the year did the foundation pay or incur any amount to:

(1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))? Yes No

(2) Influence the outcome of any specific public election (see section 4955); or to carry on, directly or indirectly, any voter registration drive? Yes No

(3) Provide a grant to an individual for travel, study, or other similar purposes? Yes No

(4) Provide a grant to an organization other than a charitable, etc., organization described in section 509(a)(1), (2), or (3), or section 4940(d)(2)? (see page 22 of the instructions) Yes No

(5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals? Yes No

b If any answer is "Yes" to 5a(1)–(5), did any of the transactions fail to qualify under the exceptions described in Regulations section 53.4945 or in a current notice regarding disaster assistance (see page 22 of the instructions)? 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?
 If "Yes," attach the statement required by Regulations section 53.4945–5(d) Yes No

6a Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? Yes No

b Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract?
 If "Yes" to 6b, file Form 8870 Yes No

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	N/A
6b		X
7b		N/A

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
Larry Arnn P.O. Box 3485 Elmira NY 14905	Director/Ex. Dir. 6.00	34,000	0	0
Edwin Feulner P.O. Box 3485 Elmira NY 14905	Director/Secretary 2.00	9,000	0	0
David Keyston P.O. Box 3485 Elmira NY 14905	Director/V.P. 2.00	9,000	0	0
Patrick Parker P.O. Box 3485 Elmira NY 14905	Director/President 2.00	9,000	0	0

2 Compensation of five highest-paid employees (other than those included on line 1—see page 23 of the instructions). If none, enter "NONE."

(a) Name and address of each employee paid more than \$50,000	(b) Title, and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
None				

Total number of other employees paid over \$50,000 ▶ 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
1 N/A	
2	
3	
4	

Part IX-B Summary of Program-Related Investments (see page 24 of the instructions)

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2

	Amount
1	
2	
3 All other program-related investments. See page 24 of the instructions	

Total. Add lines 1 through 3 ▶

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	3,360,133
b	Average of monthly cash balances	1b	109,762
c	Fair market value of all other assets (see page 24 of the instructions)	1c	16,678
d	Total (add lines 1a, b, and c)	1d	3,486,573
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	3,486,573
4	Cash deemed held for charitable activities. Enter 1½ % of line 3 (for greater amount, see page 25 of the instructions)	4	52,299
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	3,434,274
6	Minimum investment return. Enter 5% of line 5	6	171,714

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	171,714
2a	Tax on investment income for 2009 from Part VI, line 5	2a	539
b	Income tax for 2009 (This does not include the tax from Part VI)	2b	
c	Add lines 2a and 2b	2c	539
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	171,175
4	Recoveries of amounts treated as qualifying distributions	4	
5	Add lines 3 and 4	5	171,175
6	Deduction from distributable amount (see page 25 of the instructions)	6	
7	Distributable amount as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1	7	171,175

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	451,084
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	451,084
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	539
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6	450,545

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

Part XIII Undistributed Income (see page 26 of the instructions)

		(a) Corpus	(b) Years prior to 2008	(c) 2008	(d) 2009
1	Distributable amount for 2009 from Part XI, line 7				171,175
2	Undistributed income, if any, as of the end of 2009				
a	Enter amount for 2008 only				
b	Total for prior years: 20____, 20____, 20____				
3	Excess distributions carryover, if any, to 2009				
a	From 2004	553,210			
b	From 2005	228,843			
c	From 2006	368,217			
d	From 2007	429,988			
e	From 2008	264,318			
f	Total of lines 3a through e	1,844,576			
4	Qualifying distributions for 2009 from Part XII, line 4 \blacktriangleright \$ 451,084				
a	Applied to 2008, but not more than line 2a				
b	Applied to undistributed income of prior years (Election required—see page 26 of the instructions)				
c	Treated as distributions out of corpus (Election required—see page 26 of the instructions)				
d	Applied to 2009 distributable amount				171,175
e	Remaining amount distributed out of corpus	279,909			
5	Excess distributions carryover applied to 2009 (If an amount appears in column (d), the same amount must be shown in column (a))				
6	Enter the net total of each column as indicated below:				
a	Corpus Add lines 3f, 4c, and 4e Subtract line 5	2,124,485			
b	Prior years' undistributed income Subtract line 4b from line 2b				
c	Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed				
d	Subtract line 6c from line 6b. Taxable amount—see page 27 of the instructions				
e	Undistributed income for 2008 Subtract line 4a from line 2a. Taxable amount—see page 27 of the instructions				
f	Undistributed income for 2009 Subtract lines 4d and 5 from line 1 This amount must be distributed in 2010				
7	Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (see page 27 of the instructions)				
8	Excess distributions carryover from 2004 not applied on line 5 or line 7 (see page 27 of the instructions)	553,210			
9	Excess distributions carryover to 2010. Subtract lines 7 and 8 from line 6a	1,571,275			
10	Analysis of line 9.				
a	Excess from 2005	228,843			
b	Excess from 2006	368,217			
c	Excess from 2007	429,988			
d	Excess from 2008	264,318			
e	Excess from 2009	279,909			

Part XIV Private Operating Foundations (see page 27 of the instructions and Part VII-A, question 9)

N/A

1 a If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 2009, 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)

2 a Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed

	Tax year	Prior 3 years			(e) Total
	(a) 2009	(b) 2008	(c) 2007	(d) 2006	
b 85% of line 2a					
c Qualifying distributions from Part XII, line 4 for each year listed					
d Amounts included in line 2c not used directly for active conduct of exempt activities					
e Qualifying distributions made directly for active conduct of exempt activities Subtract line 2d from line 2c					
3 Complete 3a, b, or c for the alternative test relied upon					
a "Assets" alternative test—enter					
(1) Value of all assets					
(2) Value of assets qualifying under section 4942(j)(3)(B)(i)					
b "Endowment" alternative test—enter 2/3 of minimum investment return shown in Part X, line 6 for each year listed					
c "Support" alternative test—enter					
(1) Total support other than gross investment income (interest, dividends, rents, payments on securities loans (section 512(a)(5)), or royalties)					
(2) Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(iii)					
(3) Largest amount of support from an exempt organization					
(4) Gross investment income					

Part XV Supplementary Information (Complete this part only if the foundation had \$5,000 or more in assets at any time during the year—see page 28 of the instructions.)

1 Information Regarding Foundation Managers:

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

None

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

Nancy Padilla Post Office Box 3485 Elmira NY 14905 800-441-1963

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

Letter of proposal with a budget attached

c Any submission deadlines

None

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

Study of Christian Science religion. The free market system and related areas.

Part XV Supplementary Information (continued)

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

Recipient	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
Name and address (home or business)				
<p>a <i>Paid during the year</i></p> <p>See detail attached</p>				309,000
Total				▶ 3a 309,000
<p>b <i>Approved for future payment</i></p>				
Total				▶ 3b

Part XVI-A Analysis of Income-Producing Activities

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	279	
4 Dividends and interest from securities			14	116,227	
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			18	-25,525	
9 Net income or (loss) from special events					
10 Gross profit or (loss) from sales of inventory			01	2,466	
11 Other revenue: a _____					
b _____					
c _____					
d _____					
e _____					
12 Subtotal. Add columns (b), (d), and (e)				93,447	
13 Total. Add line 12, columns (b), (d), and (e)				13	93,447

(See worksheet in line 13 instructions on page 28 to verify calculations.)

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

Line No.	Explain below how each activity for which income is reported in column (e) of Part XVI-A contributed importantly to the accomplishment of the foundation's exempt purposes (other than by providing funds for such purposes) (See page 28 of the instructions)
▼	

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

- 1 Did the organization directly or indirectly engage in any of the following with any other organization described in section 501(c) of the Code... a Transfers from the reporting foundation to a noncharitable exempt organization of: (1) Cash, (2) Other assets... b Other transactions: (1) Sales of assets to a noncharitable exempt organization, (2) Purchases of assets from a noncharitable exempt organization, (3) Rental of facilities, equipment, or other assets, (4) Reimbursement arrangements, (5) Loans or loan guarantees, (6) Performance of services or membership or fundraising solicitations... c Sharing of facilities, equipment, mailing lists, other assets, or paid employees... d If the answer to any of the above is "Yes," complete the following schedule.

Table with 4 columns: (a) Line no, (b) Amount involved, (c) Name of noncharitable exempt organization, (d) Description of transfers, transactions, and sharing arrangements.

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

Table with 3 columns: (a) Name of organization, (b) Type of organization, (c) Description of relationship.

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer or fiduciary) is based on all information of which preparer has any knowledge.

Sign Here section containing signature of officer or trustee, Preparer's signature (Howard J. Levine), and Firm's name (Howard J. Levine C.P.A., 16600 Sherman Way #280, Va).

Name as shown on return Aecquus Institute	ID number 52-1620982
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STATEMENT #1 - DETAIL OF SALES (Part I, Line 10a)

Sales of books, C D 's and pamphlets	2,466
GROSS PROFIT	<u>2,466</u>

STATEMENT #2 - OTHER PROFESSIONAL FEES (Part I, Line 16c)

Investment management fees	10,030
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STATEMENT #3 - TAXES (Part I, Line 18)

Foreign income taxes	1,550
Federal excise taxes	539
TOTAL TAXES	<u>2,089</u>

STATEMENT #4 - OTHER EXPENSES (Part I, Line 23)

Bank charges	838
Dues and subscriptions	1,585
Entertainment and meals	1,456
Insurance	3,014
Miscellaneous	487
Office supplies	1,699
Outside services	1,605
Postage	2,454
Telephone	2,520
TOTAL OTHER EXPENSES	<u>15,658</u>

**Aequus Institute
Securities Owned
December 31, 2009**

Description	Buy Qty.	Buy Date	Cost	Market Value
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Pooled Investment Partnership:

Acacia Partners			1,472,275	2,766,317
Total			1,472,275	2,766,317

Bonds:

Mellon Financial Note	75,000	05/14/98	76,370	75,386
FNMA Pool #735580	78,000	Various	43,813	45,826
FNMA Pool #745275	12,000	Various	20,430	20,204
FNMA Pool #888093	102,000	Various	64,222	65,683
FNMA Pool #G03432	2,000	2/27/09	1,311	1,329
FNMA Pool #889579	131,000	Various	95,485	98,186
FNMA Pool #995018	7,000	Various	5,464	5,450
FNMA Pool #929838	40,000	12/11/08	24,160	24,621
FNMA Pool #190391	41,000	Various	31,142	30,869
FNMA Pool #G04877	16,000	11/3/08	5,837	13,503
FNMA Pool #930071	70,000	Various	39,657	34,438
FNMA Pool #995069	31,000	11/10/08	24,936	25,148
FNMA Pool #889982	11,000	Various	8,260	8,381
Total			441,087	449,024

Treasury Notes:

Treasury Note 4/15/2011	55,000	Various	60,382	61,669
Treasury Note 7/15/2012	47,000	Various	55,019	60,754
Treasury Note 2/15/2015	36,000	Various	38,709	38,261
Total			154,110	160,684

Mutual Funds:

Allianz Fixed Income "C"	15,095	Various	169,133	184,008
Allianz Fixed Income "M"	20,121	Various	210,322	194,168
Total			379,455	378,176

**AEQUUS INSTITUTE
Grants Awarded 2009**

GRANT RECIPIENT	PURPOSE	AWARD DATE	AMOUNT AWARDED
INTERCOLLEGIATE STUDIES CENTER 3901 Centerville Road Wilmington, DE 19807	General Operations	01/01/09	\$3,000.00
REGIS UNIVERSITY 3333 Regis Boulevard B-16 Denver, CO 80221-1099	General Operations	01/01/09	\$5,000.00
ACTON INSTITUTE 161 Ottawa N.W , Suite 301 Grand Rapids, MI 49503	General Operations	01/01/09	\$1,000 00
VICTIMS OF COMMUNISM MEMORIAL FOUNDATION 1521 16th Street, N W Washington, DC 20036	General Operations	01/01/09	\$1,000.00
SHIMER COLLEGE 3424 S State Street Chicago, IL 60616	General Operations, Travel Expenses	01/27/09	\$10,000.00
ATLAS ECONOMIC RESEARCH FOUNDATION 2000 N 14th Street, Suite 550 Arlington, VA 22201	General Operations	04/04/2009	\$1,000.00
BILL OF RIGHTS INSTITUTE 200 N. Glebe Road, Sutie 1050 Arlington, VA 22203	General Operations	04/04/2009	\$1,000.00
CATO INSTITUTE 1000 Massachusettes Avenue, N W. Washington, DC 20001	<i>Regulation Magazine</i>	04/04/2009	\$1,000 00
CLAREMONT INSTITUTE 937 W Foothill Boulevard Claremont, CA 91711	General Operations	04/04/2009	\$5,000.00
COMPETITIVE ENTERPRISE INSTITUTE 1001 Connecticut Avenue, N W , Suite 1250 Washington, DC 20036	General Operations	04/04/2009	\$1,000.00
FOUNDATION FOR RESEARCH ON ECO AND THE ENV 662 Ferguson Road Bozeman, Montana 59718	Religious Leaders Program	04/04/2009	\$1,000.00
GEORGE MASON UNIVERSITY - LEC 3301 N. Fairfax Drive, MS-1G4 Arlington, VA 22201	Teaching Program for Judges	04/04/2009	\$1,000.00
HERITAGE FOUNDATION 214 Massachusetts Avenue, N.E. Washington, DC 20002	General Operations	04/04/2009	\$75,000.00
HILLSDALE COLLEGE 33 E. College Street Hillsdale, MI 49242	Internship Program	04/04/2009	\$5,000.00

**AEQUUS INSTITUTE
Grants Awarded 2009**

GRANT RECIPIENT	PURPOSE	AWARD DATE	AMOUNT AWARDED
LANDMARK LEGAL FOUNDATION 3100 Broadway, Suite 1210 Kansas City, MO 64111	General Operations	04/04/2009	\$1,000 00
PHILADELPHIA SOCIETY 11620 Rutan Circle Jerome, MI 49242	General Operations and Meeting Expenses	04/04/2009	\$2,500.00
STUDENTS NEWS DAILY COM P.O. Box 30353 Edmond, OK 73003	General Operations, Website Administration	04/04/2009	\$1,000.00
HEALING UNLIMITED P O. Box 5271 Carmel, CA 93921	Merger/Acquisition of Rare Book Company	04/04/2009	\$10,000.00
NOVUS ORDO SECLORUM Box 11 Mount Joy, PA 17552	Legal Expenses and Publishing Costs	04/04/2009	\$2,000 00
Church of Christ Jesus and MBE C.S. Inc. dba Christian Science Endtime Center P.O Box 27539 Denver, CO 80227	Printing & Publishing Newsletter	04/04/2009	\$1,000.00
CLIFTON HOUSE 1200 Long Lake Road New Brighton, MN 55112	General Operations	05/20/2009	\$1,000.00
PHILADELPHIA SOCIETY 11620 Rutan Circle Jerome, MI 49242	General Operations	05/27/2009	\$1,000.00
HEALING for BOOKMARK P.O. Box 5271 Carmel, CA 93921	General Operations	05/27/2009	\$1,000.00
AMERICA'S FUTURE FOUNDATION 1899 L Street, N.W , 12th Floor Washington, DC 20036	On the Road Program	08/14/2009	\$1,000.00
CLAREMONT INSTITUTE 937 W. Foothill Boulevard Claremont, CA 91711	General Operations	08/14/2009	\$10,000.00
HILLSDALE COLLEGE 33 E. College Street Hillsdale, MI 49242	Kirby Center for Const Studies and Citizenshp	08/14/2009	\$50,000.00
INTERCOLLEGIATE STUDIES INSTITUTE 3901 Centerville Road Wilmington, DE 19807-0431	National Education Operations Expansion	08/14/2009	\$15,000.00
INSTITUTE OF WORLD POLITICS 1521 16TH Street, N.W. Washington, DC 20036	General Operations	08/14/2009	\$5,000.00

**AEQUUS INSTITUTE
Grants Awarded 2009**

GRANT RECIPIENT	PURPOSE	AWARD DATE	AMOUNT AWARDED
REASON FOUNDATION 3415 S. Sepulveda Boulevard, Suite 400 Los Angeles, CA 90034	General Operations	08/14/2009	\$1,000.00
BOOKMARK P.O. Box 881143 Santa Clarita, CA 91380	ERG for Printing Catalog of Publications	08/14/2009	\$4,500.00
CLIFTON HOUSE 1200 Long Lake Road New Brighton, MN 55112	Building Fund Campaign	08/14/2009	\$10,000.00
HEALING UNLIMITED P.O. Box 5271 Carmel, CA 93921	General Operations	08/14/2009	\$10,000.00
FORTY NINTH STATE FDTN - Univ of Alaska Anchorage 1130 S Street Anchorage, Alaska 99501	General Operations	08/25/2009	\$2,000.00
NOVUS ORDO SECLORUM Box 11 Mount Joy, PA 17552	Legal Fees & Expenses	08/27/2009	\$5,000.00
LAW ENFORCEMENT LEGAL DEFENSE FUND 16-11 Kent Street, Suite 901 Arlington, VA 22209	Legal Defense Fund Sgt Edmond	11/24/2009	\$1,000 00
ACTON INSTITUTE 161 Ottawa N.W., Suite 301 Grand Rapids, MI 49503	General Operations	12/09/2009	\$1,000.00
AMERICAN ENTERPRISE INSTITUTE 1150 17th Street, N.W. Washington, DC 20036	General Operations	12/09/2009	\$1,000.00
COMPETITIVE ENTERPRISE INSTITUTE 1899 L Street, N.W. 12th Floor Washington, DC 20036	Independent Journalism Project	12/09/2009	\$1,000.00
FUND FOR AMERICAN STUDIES 1706 New Hampshire Avenue, N.W Washington, DC 20009	Legal Studies Institute	12/09/2009	\$1,000.00
AMERICAN FRIENDS of the IEA aka/ Inst of Economic Affairs 1201 L Street, N.W. Washington, DC 22201	General Operations	12/09/2009	\$1,000.00
MONT PELERIN SOCIETY P.O. Box 7031 Alexandria, VA 22307	2010 Hayek Essay Contest	12/09/2009	\$40,000.00
PACIFIC RESEARCH INSTITUTE 755 Sansome Street, Suite 450 San Francisco, CA 94111	Education Studies Program	12/09/2009	\$1,000 00

**AEQUUS INSTITUTE
Grants Awarded 2009**

GRANT RECIPIENT	PURPOSE	AWARD DATE	AMOUNT AWARDED
CLIFTON HOUSE 1200 Long Lake Road New Brighton, MN 55112	Building Fund Campaign	12/09/2009	\$10,000.00
CLAREMONT INSTITUTE 937 W. Foothill Boulevard Claremont, CA 91711	General Operations	12/23/2009	\$4,000.00
CHURCHILL CENTRE 200 W. Madison Avenue, #1700 Chicago, IL 60603	General Operations	12/23/2009	\$1,000.00
OMAHA ZOO 3701 S. 10th Street Omaha, NE 66107	General Operations	12/23/2009	\$1,000.00
HILLSDALE COMMUNITY FOUNDATION P.O. Box 276 Hillsdale, MI 49242	General Operations	12/23/2009	\$1,000.00
TOTAL GRANTS 2009			\$309,000.00