

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

2010

Department of the Treasury
Internal Revenue Service

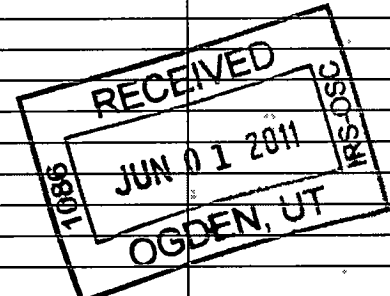
Note. The foundation may be able to use a copy of this return to satisfy state reporting requirements

For calendar year 2010, or tax year beginning _____, and ending _____

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

Name of foundation Aequus Institute		A Employer identification number 52-1620982
Number and street (or P O box number if mail is not delivered to street address) P O. Box 3485	Room/suite	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"/>
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		D 1. Foreign organizations, check here <input type="checkbox"/> 2. Foreign organizations meeting the 85% test, check here and attach computation <input type="checkbox"/>
I Fair market value of all assets at end of year (from Part II, col (c), line 16) ▶ \$ 4,124,522	J Accounting method <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other (specify) _____ (Part I, column (d) must be on cash basis)	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"/>

	(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
Part I Analysis of Revenue and Expenses (The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a) (see page 11 of the instructions))				
Revenue				
1 Contributions, gifts, grants, etc., received (attach schedule)	435			
2 Check <input checked="" type="checkbox"/> if the foundation is not required to attach Sch B				
3 Interest on savings and temporary cash investments	9	9		
4 Dividends and interest from securities	101,184	101,184		
5 a Gross rents				
b Net rental income or (loss)				
6 a Net gain or (loss) from sale of assets not on line 10	81,903			
b Gross sales price for all assets on line 6a 692,136				
7 Capital gain net income (from Part IV, line 2)		81,903		
8 Net short-term capital gain				
9 Income modifications				
10 a Gross sales less returns and allowances 1,800				
b Less Cost of goods sold				
c Gross profit or (loss) (attach schedule)	1,800			
11 Other income (attach schedule)				
12 Total. Add lines 1 through 11	185,331	183,096		
Operating and Administrative Expenses				
13 Compensation of officers, directors, trustees, etc	49,000	18,250		30,750
14 Other employee salaries and wages	49,500	12,375		37,125
15 Pension plans, employee benefits	10,110	2,528		7,582
16 a Legal fees (attach schedule)	5,173	1,293		3,880
b Accounting fees (attach schedule)	31,162	7,791		23,371
c Other professional fees (attach schedule)	9,920	9,920		
17 Interest				
18 Taxes (attach schedule) (see page 14 of the instructions)	4,313	1,835		
19 Depreciation (attach schedule) and depletion	890			
20 Occupancy				
21 Travel, conferences, and meetings	19,704	3,801		15,903
22 Printing and publications	5,521			5,521
23 Other expenses (attach schedule)	22,693	1,425		21,268
24 Total operating and administrative expenses. Add lines 13 through 23	207,986	59,218		145,400
25 Contributions, gifts, grants paid	257,000			257,000
26 Total expenses and disbursements. Add lines 24 and 25	464,986	59,218		402,400
27 Subtract line 26 from line 12				
a Excess of revenue over expenses and disbursements	-279,655			
b Net investment income (if negative, enter -0-)		123,878		
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			
	2	Savings and temporary cash investments	129,715	62,723	62,723
	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	13,309	10,831	10,831
	10 a	Investments—U S and state government obligations (attach schedule)	160,684	366,536	366,536
	b	Investments—corporate stock (attach schedule)	378,176	254,404	254,404
	c	Investments—corporate bonds (attach schedule)	449,024		
	11	Investments—land, buildings, and equipment basis			
	Less accumulated depreciation (attach schedule)				
12	Investments—mortgage loans				
13	Investments—other (attach schedule)	2,766,317	3,430,028	3,430,028	
14	Land, buildings, and equipment basis	18,792			
	Less accumulated depreciation (attach schedule)	18,792	890		
15	Other assets (describe)				
16	Total assets (to be completed by all filers—see the instructions Also, see page 1, item I)	3,898,115	4,124,522	4,124,522	
Liabilities	17	Accounts payable and accrued expenses			
	18	Grants payable	129,000	58,000	
	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	37,687	
	23	Total liabilities (add lines 17 through 22)	142,073	95,687	
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	3,756,042	4,028,835	
	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)	3,756,042	4,028,835		
31	Total liabilities and net assets/fund balances (see page 17 of the instructions)	3,898,115	4,124,522		

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	3,756,042
2	Enter amount from Part I, line 27a	2	-279,655
3	Other increases not included in line 2 (itemize) Unrealized gains on investments	3	577,061
4	Add lines 1, 2, and 3	4	4,053,448
5	Decreases not included in line 2 (itemize) Deferred tax provision	5	24,613
6	Total net assets or fund balances at end of year (line 4 minus line 5)—Part II, column (b), line 30	6	4,028,835

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 Publicly traded securities		P	Various	Various	
b					
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 692,136		610,233	81,903		
b					
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			81,903		
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	81,903
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))	
2009	450,545	3,434,274	0.131191	
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	
2 Total of line 1, column (d)			2	0.566567
3 Average distribution ratio for the 5-year base period—divide the total on line 2 by 5, or by the number of years the foundation has been in existence if less than 5 years			3	0.113313
4 Enter the net value of noncharitable-use assets for 2010 from Part X, line 5			4	3,925,125
5 Multiply line 4 by line 3			5	444,768
6 Enter 1% of net investment income (1% of Part I, line 27b)			6	1,239
7 Add lines 5 and 6			7	446,007
8 Enter qualifying distributions from Part XII, line 4 If line 8 is equal to or greater than line 7, check the box in Part VI, line 1b, and complete that part using a 1% tax rate. See the Part VI instructions on page 18			8	402,400

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	2,478
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			
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	2,478
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	2,478
6 Credits/Payments			
a 2010 estimated tax payments and 2009 overpayment credited to 2010	6a	13,309	
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	13,309
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	10,831
11 Enter the amount of line 10 to be Credited to 2011 estimated tax <input type="checkbox"/> 10,831 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>		X
6 Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either • By language in the governing instrument, or • By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?	X	
7 Did the foundation have at least \$5,000 in assets at any time during the year? <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 2010 or the taxable year beginning in 2010 (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>			
16	At any time during calendar year 2010, did the foundation have an interest in or a signature or other authority over a bank, securities, or other financial account in a foreign country? See page 20 of the instructions for exceptions and filing requirements for Form TD F 90-22.1 If "Yes," enter the name of the foreign country ▶	16	Yes	No X

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

File Form 4720 if any item is checked in the "Yes" column, unless an exception applies.

		Yes	No
1a	During the year did the foundation (either directly or indirectly)		
(1)	Engage in the sale or exchange, or leasing of property with a disqualified person? <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 22 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 2010?	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 2010, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2010? <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 22 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 2010 as a result of (1) any purchase by the foundation or disqualified persons after May 26, 1969, (2) the lapse of the 5-year period (or longer period approved by the Commissioner under section 4943(c)(7)) to dispose of holdings acquired by gift or bequest, or (3) the lapse of the 10-, 15-, or 20-year first phase holding period? (Use Schedule C, Form 4720, to determine if the foundation had excess business holdings in 2010)	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 2010?	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)? Organizations relying on a current notice regarding disaster assistance check here **5b** N/A

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 **6b** X

7a At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction? Yes No

b If "Yes," did the foundation receive any proceeds or have any net income attributable to the transaction? Yes No **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 Arn..... P.O. Box 3485 Elmira NY 14905	Director/Ex. Dir. 6.00	31,000	0	0
Edwin Feulner..... P O Box 3485 Elmira NY 14905	Director/Secretary 2.00	6,000	0	0
David Keyston..... P O. Box 3485 Elmira NY 14905	Director/V.P. 2.00	6,000	0	0
Patrick Parker..... P O. Box 3485 Elmira NY 14905	Director/President 2 00	6,000	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

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	
All other program-related investments. See page 24 of the instructions	
3	
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	3,876,644
b	Average of monthly cash balances	1b	94,320
c	Fair market value of all other assets (see page 25 of the instructions)	1c	13,934
d	Total (add lines 1a, b, and c)	1d	3,984,898
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	3,984,898
4	Cash deemed held for charitable activities. Enter 1½% of line 3 (for greater amount, see page 25 of the instructions)	4	59,773
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	3,925,125
6	Minimum investment return. Enter 5% of line 5	6	196,256

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	196,256
2a	Tax on investment income for 2010 from Part VI, line 5	2a	2,478
b	Income tax for 2010 (This does not include the tax from Part VI)	2b	
c	Add lines 2a and 2b	2c	2,478
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	193,778
4	Recoveries of amounts treated as qualifying distributions	4	
5	Add lines 3 and 4	5	193,778
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	193,778

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	402,400
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	402,400
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	
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6	402,400

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

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

		(a) Corpus	(b) Years prior to 2009	(c) 2009	(d) 2010
1	Distributable amount for 2010 from Part XI, line 7				193,778
2	Undistributed income, if any, as of the end of 2010				
a	Enter amount for 2009 only				
b	Total for prior years. 20 ____, 20 ____, 20 ____				
3	Excess distributions carryover, if any, to 2010				
a	From 2005	228,843			
b	From 2006	368,217			
c	From 2007	429,988			
d	From 2008	264,318			
e	From 2009	279,909			
f	Total of lines 3a through e	1,571,275			
4	Qualifying distributions for 2010 from Part XII, line 4 \blacktriangleright \$ 402,400				
a	Applied to 2009, 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 2010 distributable amount				193,778
e	Remaining amount distributed out of corpus	208,622			
5	Excess distributions carryover applied to 2010 (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	1,779,897			
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 2009 Subtract line 4a from line 2a Taxable amount—see page 27 of the instructions				
f	Undistributed income for 2010 Subtract lines 4d and 5 from line 1 This amount must be distributed in 2011				
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 2005 not applied on line 5 or line 7 (see page 27 of the instructions)	228,843			
9	Excess distributions carryover to 2011. Subtract lines 7 and 8 from line 6a	1,551,054			
10	Analysis of line 9				
a	Excess from 2006	368,217			
b	Excess from 2007	429,988			
c	Excess from 2008	264,318			
d	Excess from 2009	279,909			
e	Excess from 2010	208,622			

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 2010, enter the date of the ruling

▶

b Check box to indicate whether the foundation is a private operating foundation described in section

4942(j)(3) or 4942(j)(5)

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) 2010	(b) 2009	(c) 2008	
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)				
a <i>Paid during the year</i> Statement attached				257,000
Total			▶ 3a	257,000
b <i>Approved for future payment</i>				
Total			▶ 3b	

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 (other than section 501(c)(3) organizations) or in section 527, relating to political organizations?
- a Transfers from the reporting foundation to a noncharitable exempt organization of:
 - (1) Cash 1a(1) X
 - (2) Other assets 1a(2) X
 - b Other transactions.
 - (1) Sales of assets to a noncharitable exempt organization 1b(1) X
 - (2) Purchases of assets from a noncharitable exempt organization 1b(2) X
 - (3) Rental of facilities, equipment, or other assets 1b(3) X
 - (4) Reimbursement arrangements 1b(4) X
 - (5) Loans or loan guarantees 1b(5) X
 - (6) Performance of services or membership or fundraising solicitations 1b(6) X
 - c Sharing of facilities, equipment, mailing lists, other assets, or paid employees 1c X
- d If the answer to any of the above is "Yes," complete the following schedule. Column (b) should always show the fair market value of the goods, other assets, or services given by the reporting foundation. If the foundation received less than fair market value in any transaction or sharing arrangement, show in column (d) the value of the goods, other assets, or services received

(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 No

b If "Yes," complete the following schedule.

(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 *Howard J. Levine*
 Signature of officer or trustee

Paid Preparer Use Only	Print/Type preparer's name Howard J. Levine	Preparer's signature <i>Howard J. Levine</i>
	Firm's name ▶ Howard J Levine C.P.A.	
	Firm's address ▶ 16600 Sherman Way #280, Van Nuys	

Name as shown on return	ID number
Aequus Institute	52-1620982

STATEMENT #1 - DETAIL OF SALES (Part I, Line 10a)

Sales of books, C D 's and pamphlets	1,800
GROSS PROFIT	1,800

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

Investment management fees	9,920
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STATEMENT #3 - TAXES (Part I, Line 18)

Foreign income taxes	1,835
Federal excise taxes	2,478
TOTAL TAXES	4,313

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

Bank charges	1,308
Dues and subscriptions	1,151
Entertainment and meals	1,105
Insurance	3,881
Miscellaneous	385
Office supplies	1,522
Outside services	2,775
Payroll taxes	5,700
Postage	1,755
Repairs and maintenance	213
Telephone	2,898
TOTAL OTHER EXPENSES	22,693

STATEMENT #5 - DEPRECIATION (Part II, Line 14)

Furniture and equipment	18,792
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Aequus Institute
Detail of Investments
December 31, 2011

Type	Stock Name	Cost	Unrealized Gain (Loss)	Market Value
<i>U.S. Government Obligations:</i>				
	Treasury Note 4/15/2011	41,047	85	41,132
	Treasury Note 2/29/2012	31,920	266	32,186
	Treasury Note 7/15/2012	22,144	1,112	23,256
	Treasury Note 3/15/2013	6,034	54	6,088
	Treasury Note 3/31/2014	29,181	(199)	28,982
	Treasury Note 2/15/2015	24,474	724	25,198
	Treasury Note 6/30/2017	9,303	(337)	8,966
	Treasury Note 7/31/2017	49,064	(1,694)	47,370
	Treasury Note 4/15/2028	11,302	(829)	10,473
	Treasury Note 1/15/2029	8,799	(708)	8,091
	FNMA Pool #735580	20,075	1,399	21,474
	FNMA Pool #888093	22,829	1,264	24,093
	FNMA Pool #929838	17,018	1,098	18,116
	FNMA Pool #190391	19,188	750	19,938
	FNMA Pool #930071	22,292	1,448	23,740
	FNMA Pool #995069	16,865	1,264	18,129
	FNMA Pool #AD0440	7,004	106	7,110
	Accrued interest	2,194		2,194
	Total	<u>360,733</u>	<u>5,803</u>	<u>366,536</u>
<i>Corporate Stocks:</i>				
	Allianz Fixed Income "C"	113,512	13,605	127,117
	Allianz Fixed Income "M"	129,142	(1,855)	127,287
		<u>242,654</u>	<u>11,750</u>	<u>254,404</u>
<i>Pooled Partnership:</i>				
	Acacia Investments	<u>1,563,246</u>	<u>1,866,782</u>	<u>3,430,028</u>

**AEQUUS INSTITUTE
2010 Grants Awarded**

GRANT RECIPIENT	PURPOSE	DATE AWARDED	AMOUNT AWARDED
FIFTH CHURCH OF CHRISTIAN SCIENCE 2941 West Hefner Road Oklahoma City, Oklahoma	Matching Grant	10/20/04	-15,000.00
INTERCOLLEGIATE STUDIES INSTITUTE 3901 Centerville Road Wilmington, DE 19807	General Operations	01/10/10	5,000.00
REGIS UNIVERSITY 3333 Regis Boulevard, B-16 Denver, CO 80221	General Operations	01/01/10	5,000.00
PHILADELPHIA SOCIETY 11620 Rutan Circle Jerome, MI 49242	General Operations and Meeting Expenses	02/03/10	10,000.00
ATLAS ECONOMIC RESEARCH CENTER 1201 L Street, N.W. Washington, DC 20002	General Operations	04/10/2010	1,000.00
BILL OF RIGHTS 200 N. Glebe Road, Suite 1050 Arlington, VA 22203	General Operations	04/10/2010	1,000.00
FNDT FOR RESEARCH ON ECO & ENV 662 Ferguson Road Bozeman, MT 59718	General Ops, Conference	04/10/2010	1,000.00
GEORGE MASON UNIVERSITY - LEC 3301 N. Fairfax Drive, MS 1G3 Arlington, VA 22201	Educational Programs for Judges	04/10/2010	1,000.00
HERITAGE FOUNDATION 214 Massachusetts Avenue, N.E. Washington, DC 20002	General Operations	04/10/2010	100,000.00
INTELLECTUAL TAKEOUT P.O. Box 487 Nicollet, MN 56074	General Operations	04/10/2010	1,000.00
LANDMARK LEGAL FOUNDATION 3100 Broadway, Suite 1210 Kansas City, MO 64111	General Operations	04/10/2010	1,000.00
STUDENTNEWSDAILY.COM P.O. Box 30353 Edmond, OK 73003	General Operations, Website	04/10/2010	1,000.00

**AEQUUS INSTITUTE
2010 Grants Awarded**

GRANT RECIPIENT	PURPOSE	DATE AWARDED	AMOUNT AWARDED
HEALING UNLIMITED P.O. Box 5271 Carmel, CA 93921	Book Publishing	04/10/2010	7,500.00
NOVUS ORDO SECLORUM Box 11 Mount Joy, PA 17552	General Operations, Legal Fees	04/10/2010	2,500 00
ARMY HERITAGE CENTER FOUNDATION P O Box 839 Carlisle, PA 17013	General Operations	04/15/2010	2,000.00
NOVUS ORDO SECLORUM Box 11 Mount Joy, PA 17552	Legal Fees	08/02/2010	5,000.00
CLAREMONT INSTITUTE 937 W Foothill Boulevard Claremont, CA 91711	General Operations	09/13/2010	10,000 00
CLAREMONT INSTITUTE 937 W. Foothill Boulevard Claremont, CA 91711	General Operations	09/13/2010	2,000.00
HILLSDALE COLLEGE 33 East college Street Hillsdale, MI 49242	Internship Programs	09/13/2010	75,000 00
INSTITUTE OF WORLD POLITICS 1521 16th Street, N.W. Washington, DC 20036	General Operations	09/13/2010	5,000 00
INTERCOLLEGIATE STUDIES INSTITUTE 3901 Centerville Road Wilmington, DE 19807	General Operations	09/13/2010	10,000 00
REASON FOUNDATION 3415 S. Sepulveda Blvd. Suite 40 Los Angeles, CA 90034	General Operations	09/13/2010	1,000 00
STATE POLICY NETWORK 2020 N 14th Street, Suite 250 Arlington, VA 22201	General Operations	09/13/2010	1,000.00
C.S. ENDTIME CENTER 3225-J S. Wadsworth Boulevard Denver, CO 80227	Publishing and Mailing Costs of Newsletter	09/13/2010	2,000 00

**AEQUUS INSTITUTE
2010 Grants Awarded**

GRANT RECIPIENT	PURPOSE	DATE AWARDED	AMOUNT AWARDED
DAYSTAR FOUNDATION 3000 United Founders Blvd. #104G Oklahoma City, OK 73112	Building Project	09/13/2010	10,000.00
NOVUS ORDO SECLORUM Box 11 Mount Joy, PA 17552	General Operations, Legal Fees	09/13/2010	2,500.00
PLAINFIELD C.S. CHURCH P.O. Box 5619 Plainfield, NJ 07061	General Operations	09/13/2010	2,500.00
CLAREMONT INSTITUTE 937 W. Foothill Boulevard Claremont, CA 91711	General Operations	12/22/2010	4,000 00
CHURCHILL CENTRE AND MUSEUM P.O. Box 935 Downers Grove, IL 60515	General Operations	12/22/2010	1,000 00
OMAHA ZOO 3701 S. 10th Street Omaha, NE 66107	General Operations	12/22/2010	1,000.00
CMC SALVATORI CENTER 850 Columbia Claremont, CA 91711	General Operations	12/22/2010	1,000.00

\$257,000.00