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**Return of Private Foundation
or Section 4947(a)(1) Nonexempt Charitable Trust
Treated as a Private Foundation****2009**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 2009, or tax year beginning , 2009, 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

New Priorities Foundation
One Tunitas Creek Ranch Road
Half Moon Bay, CA 94019

A Employer identification number

91-1805939

B Telephone number (see the instructions)

509-456-5977

C If exemption application is pending, check here ☐**D** 1 Foreign organizations, check here ☐2 Foreign organizations meeting the 85% test, check here and attach computation ☐**E** If private foundation status was terminated under section 507(b)(1)(A), check here ☐**F** If the foundation is in a 60-month termination under section 507(b)(1)(B), check here ☐

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, column (c), line 16)

▶ \$ 3,133,676.

J Accounting method. ☐ Cash ☐ Accrual

☒ Other (specify) Mod. Cash
 (Part I, column (d) must be on cash basis.)

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 the 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 (att sch)

2 Ck ☒ If the foundn is not req to att Sch B

3 Interest on savings and temporary cash investments

987.

987.

N/A

4 Dividends and interest from securities

55,792.

55,792.

5a Gross rents
b Net rental income or (loss)

6a Net gain/(loss) from sale of assets not on line 10

-174,601.

b Gross sales price for all assets on line 6a

1,064,746.

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

0.

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/(loss) (att sch)

11 Other income (attach schedule)

See Statement 1

2,285.

2,285.

12 Total. Add lines 1 through 11

-115,537.

59,064.

13 Compensation of officers, directors, trustees, etc

0.

14 Other employee salaries and wages

513.

513.

15 Pension plans, employee benefits

1,844.

1,844.

16a Legal fees (attach schedule)

b Accounting fees (attach sch) See St 2

7,770.

7,770.

c Other prof fees (attach sch) See St 3

19,627.

19,627.

17 Interest

18 Taxes (attach schedule)(see instr) See Stm 4

2,487.

1,487.

19 Depreciation (attach sch) and depletion

565.

20 Occupancy

33.

33.

21 Travel, conferences, and meetings

22 Printing and publications

23 Other expenses (attach schedule)

See Statement 5

348.

218.

130.

24 Total operating and administrative expenses. Add lines 13 through 23

33,187.

21,332.

10,290.

25 Contributions, gifts, grants paid Part XV

163,500.

163,500.

26 Total expenses and disbursements. Add lines 24 and 25

196,687.

21,332.

173,790.

27 Subtract line 26 from line 12:

a Excess of revenue over expenses and disbursements

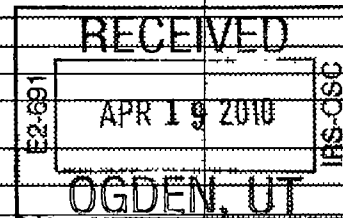
-312,224.

b Net investment income (if negative, enter 0)

37,732.

c Adjusted net income (if negative, enter 0)

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ADMINISTRATIVE AND EXPENSES

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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	249,192.	201,717.	216,717.
	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 the instructions)			
	7 Other notes and loans receivable (attach sch)			
	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) Statement 6	2,349,233.	2,830,719.	2,830,719.
	c Investments — corporate bonds (attach schedule) Statement 7	18,975.	85,383.	85,383.
	11 Investments — land, buildings, and equipment basis			
Less: accumulated depreciation (attach schedule)				
12 Investments — mortgage loans				
13 Investments — other (attach schedule)				
14 Land, buildings, and equipment, basis	8,062.			
Less: accumulated depreciation (attach schedule) See Stmt 8	7,205.	1,422.	857.	
15 Other assets (describe)				
16 Total assets (to be completed by all filers — see instructions. Also, see page 1, item I)	2,618,822.	3,118,676.	3,133,676.	
LIABILITIES	17 Accounts payable and accrued expenses	1,460.		
	18 Grants payable			
	19 Deferred revenue			
	20 Loans from officers, directors, trustees, & other disqualified persons			
	21 Mortgages and other notes payable (attach schedule)			
	22 Other liabilities (describe)			
	23 Total liabilities (add lines 17 through 22)	1,460.	0.	
FUND ASSETS	Foundations that follow SFAS 117, check here and complete lines 24 through 26 and lines 30 and 31. ☒			
	24 Unrestricted	2,617,362.	3,118,676.	
	25 Temporarily restricted			
	26 Permanently restricted			
	Foundations that do not follow SFAS 117, check here and complete lines 27 through 31. ☐			
	27 Capital stock, trust principal, or current funds			
	28 Paid-in or capital surplus, or land, building, and equipment fund			
	29 Retained earnings, accumulated income, endowment, or other funds			
	30 Total net assets or fund balances (see the instructions)	2,617,362.	3,118,676.	
	31 Total liabilities and net assets/fund balances (see the instructions)	2,618,822.	3,118,676.	

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	2,617,362.
2 Enter amount from Part I, line 27a	2	-312,224.
3 Other increases not included in line 2 (itemize) <u>See Statement 9</u>	3	813,538.
4 Add lines 1, 2, and 3	4	3,118,676.
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	3,118,676.

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 shares MLC Company)		(b) How acquired P — Purchase D — Donation	(c) Date acquired (month, day, year)	(d) Date sold (month, day, year)
1a Sales of 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 1,064,746.		1,239,347.	-174,601.
b			
c			
d			
e			

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(l) Gains (Column (h) gain minus column (k), but not less than -0-) or Losses (from column (h))
(i) Fair Market Value as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of column (i) over column (j), if any	
a			-174,601.
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	-174,601.
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 the instructions). If (loss), enter -0- in Part I, line 8 []		3	0.

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 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 (column (b) divided by column (c))
2008	350,760.	3,368,630.	0.104125
2007	181,869.	4,154,401.	0.043777
2006	351,168.	3,966,957.	0.088523
2005	334,397.	3,681,569.	0.090830
2004	273,513.	3,151,369.	0.086792

2 Total of line 1, column (d)	2	0.414047
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	0.082809
4 Enter the net value of noncharitable-use assets for 2009 from Part X, line 5	4	2,642,465.
5 Multiply line 4 by line 3	5	218,820.
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	377.
7 Add lines 5 and 6	7	219,197.
8 Enter qualifying distributions from Part XII, line 4	8	173,790.

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.

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

1 a Exempt operating foundations described in section 4940(d)(2), check here ☐ and enter 'N/A' on line 1 Date of ruling or determination letter: _____ (attach copy of letter if necessary - see instr.)		1	755.
b Domestic foundations that meet the section 4940(e) requirements in Part V, check here ☐ 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, column (b).			
2 Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)		2	0.
3 Add lines 1 and 2		3	755.
4 Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)		4	0.
5 Tax based on investment income. Subtract line 4 from line 3. If zero or less, enter -0-		5	755.
6 Credits/Payments			
a 2009 estimated tax pmts and 2008 overpayment credited to 2009	6a	2,822.	
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	2,822.	
8 Enter any penalty for underpayment of estimated tax. Check here ☒ 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	0.	
10 Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid	10	2,067.	
11 Enter the amount of line 10 to be: Credited to 2010 estimated tax 2,067. Refunded	11	0.	

Part VII-A Statements Regarding Activities

	Yes	No
1a During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?		X
b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see the instructions for definition)?		X
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		
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 \$ 0. (2) On foundation managers \$ 0.		
e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers \$ 0.		
2 Has the foundation engaged in any activities that have not previously been reported to the IRS? If 'Yes,' attach a detailed description of the activities		X
3 Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? If 'Yes,' attach a conformed copy of the changes		X
4a Did the foundation have unrelated business gross income of \$1,000 or more during the year?		X
b If 'Yes,' has it filed a tax return on Form 990-T for this year?		N/A
5 Was there a liquidation, termination, dissolution, or substantial contraction during the year? If 'Yes,' attach the statement required by General Instruction T.		X
6 Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either: • By language in the governing instrument, or • By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?	X	
7 Did the foundation have at least \$5,000 in assets at any time during the year? If 'Yes,' complete Part II, column (c), and Part XV	X	
8a Enter the states to which the foundation reports or with which it is registered (see the instructions) WA		
b If the answer is 'Yes' to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by General Instruction G? If 'No,' attach explanation	X	
9 Is the foundation claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 2009 or the taxable year beginning in 2009 (see instructions for Part XIV)? If 'Yes,' complete Part XIV		X
10 Did any persons become substantial contributors during the tax year? If 'Yes,' attach a schedule listing their names and addresses.		X

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		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.newpriorities.org</u>	13	X	
14	The books are in care of <u>Teresa Rourke</u> Telephone no. <u>509-456-5977</u> Located at <u>One Tunitas Creek Ranch Road Half Moon Bay CA</u> ZIP + 4 <u>94019</u>			
15	Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041 — Check here <u>N/A</u> and enter the amount of tax-exempt interest received or accrued during the year <u>15</u> <u>N/A</u>			

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?	☐ Yes ☒ No	
(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person?	☐ Yes ☒ No	
(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person?	☒ Yes ☐ No	
(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person?	☐ Yes ☒ 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)?	☐ Yes ☒ 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)	☐ Yes ☒ 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 the instructions)? Organizations relying on a current notice regarding disaster assistance check here ☐	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? If 'Yes,' list the years <u>20__</u> , <u>20__</u> , <u>20__</u> , <u>20__</u>	☐ Yes ☒ No	
b Are there any years listed in 2a for which the foundation is not applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to all years listed, answer 'No' and attach statement — see 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. <u>20__</u> , <u>20__</u> , <u>20__</u> , <u>20__</u> .		
3a Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year?	☐ Yes ☒ 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

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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)?

5b N/A

Organizations relying on a current notice regarding disaster assistance check here

☐

c If the answer is 'Yes' to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant?

N/A ☐ Yes ☐ No

If 'Yes,' attach the statement required by Regulations section 53.4945-5(d).

6a Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?

☐ Yes ☒ No

b Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract?

6b X

If 'Yes' to 6b, file Form 8870

7a At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction?

☐ Yes ☒ No

b If yes, did the foundation receive any proceeds or have any net income attributable to the transaction?

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 instructions).

(a) Name and address	(b) Title and average hours per week devoted to position	(c) Compensation (If not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
See Statement 10		0.	0.	0.

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

3 Five highest-paid independent contractors for professional services – (see instructions). If none, enter 'NONE.'

Part IX-A Summary of Direct Charitable Activities

Expenses

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

Amount

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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	2,487,314.
b	Average of monthly cash balances	1b	195,392.
c	Fair market value of all other assets (see instructions)	1c	
d	Total (add lines 1a, b, and c)	1d	2,682,706.
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	1e	0.
2	Acquisition indebtedness applicable to line 1 assets	2	0.
3	Subtract line 2 from line 1d	3	2,682,706.
4	Cash deemed held for charitable activities. Enter 1-1/2% of line 3 (for greater amount, see instructions)	4	40,241.
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	2,642,465.
6	Minimum investment return. Enter 5% of line 5	6	132,123.

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	132,123.
2a	Tax on investment income for 2009 from Part VI, line 5	2a	755.
b	Income tax for 2009 (This does not include the tax from Part VI.)	2b	
c	Add lines 2a and 2b	2c	755.
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	131,368.
4	Recoveries of amounts treated as qualifying distributions	4	
5	Add lines 3 and 4	5	131,368.
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	131,368.

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	173,790.
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	173,790.
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	173,790.

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

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Part XIII Undistributed Income (see instructions)

	(a) Corpus	(b) Years prior to 2008	(c) 2008	(d) 2009
1 Distributable amount for 2009 from Part XI, line 7				131,368.
2 Undistributed income, if any, as of the end of 2009				
a Enter amount for 2008 only			0.	
b Total for prior years 20____, 20____, 20____		0.		
3 Excess distributions carryover, if any, to 2009				
a From 2004	132,825.			
b From 2005	165,951.			
c From 2006	157,523.			
d From 2007				
e From 2008	183,326.			
f Total of lines 3a through e	639,625.			
4 Qualifying distributions for 2009 from Part XII, line 4. ▶ \$ 173,790.				
a Applied to 2008, 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 2009 distributable amount				131,368.
e Remaining amount distributed out of corpus	42,422.			
5 Excess distributions carryover applied to 2009 (If an amount appears in column (d), the same amount must be shown in column (a).)	0.			0.
6 Enter the net total of each column as indicated below:				
a Corpus. Add lines 3f, 4c, and 4e. Subtract line 5	682,047.			
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 2008 Subtract line 4a from line 2a. Taxable amount — see instructions			0.	
f Undistributed income for 2009 Subtract lines 4d and 5 from line 1 This amount must be distributed in 2010				0.
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (see instructions)	0.			
8 Excess distributions carryover from 2004 not applied on line 5 or line 7 (see instructions)	132,825.			
9 Excess distributions carryover to 2010. Subtract lines 7 and 8 from line 6a	549,222.			
10 Analysis of line 9.				
a Excess from 2005	165,951.			
b Excess from 2006	157,523.			
c Excess from 2007				
d Excess from 2008	183,326.			
e Excess from 2009	42,422.			

Part XIV Private Operating Foundations (see 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)

	Tax year	Prior 3 years			(e) Total
	(a) 2009	(b) 2008	(c) 2007	(d) 2006	
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 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 organization 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).)

Nancy G. Schaub

- 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 of the person to whom applications should be addressed.

- b** The form in which applications should be submitted and information and materials they should include.

- c** Any submission deadlines.

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

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)				
<i>a Paid during the year</i> See Statement 11				
Total			3a	163,500.
<i>b Approved for future payment</i>				
Total			3b	

Form **4562**Department of the Treasury
Internal Revenue Service (99)**Depreciation and Amortization**
(Including Information on Listed Property)

▶ See separate instructions. ▶ Attach to your tax return.

OMB No. 1545-0172

2009Attachment
Sequence No **67**

Name(s) shown on return

New Priorities Foundation

Identifying number

91-1805939

Business or activity to which this form relates

Form 990/990-PF

Part I Election To Expense Certain Property Under Section 179

Note: If you have any listed property, complete Part V before you complete Part I

1	Maximum amount. See the instructions for a higher limit for certain businesses	1	\$250,000.
2	Total cost of section 179 property placed in service (see instructions)	2	
3	Threshold cost of section 179 property before reduction in limitation (see instructions)	3	\$800,000.
4	Reduction in limitation Subtract line 3 from line 2. If zero or less, enter -0-	4	
5	Dollar limitation for tax year Subtract line 4 from line 1. If zero or less, enter -0-. If married filing separately, see instructions	5	
6	(a) Description of property	(b) Cost (business use only)	(c) Elected cost
7	Listed property. Enter the amount from line 29	7	
8	Total elected cost of section 179 property. Add amounts in column (c), lines 6 and 7	8	
9	Tentative deduction. Enter the smaller of line 5 or line 8	9	
10	Carryover of disallowed deduction from line 13 of your 2008 Form 4562	10	
11	Business income limitation Enter the smaller of business income (not less than zero) or line 5 (see instrs)	11	
12	Section 179 expense deduction Add lines 9 and 10, but do not enter more than line 11	12	
13	Carryover of disallowed deduction to 2010. Add lines 9 and 10, less line 12	13	

Note: Do not use Part II or Part III below for listed property. Instead, use Part V.

Part II Special Depreciation Allowance and Other Depreciation (Do not include listed property.) (See instructions.)

14	Special depreciation allowance for qualified property (other than listed property) placed in service during the tax year (see instructions)	14	
15	Property subject to section 168(f)(1) election	15	
16	Other depreciation (including ACRS)	16	

Part III MACRS Depreciation (Do not include listed property.) (See instructions.)**Section A**

17	MACRS deductions for assets placed in service in tax years beginning before 2009	17	565.
18	If you are electing to group any assets placed in service during the tax year into one or more general asset accounts, check here ☐		

Section B — Assets Placed in Service During 2009 Tax Year Using the General Depreciation System

(a) Classification of property	(b) Month and year placed in service	(c) Basis for depreciation (business/investment use only — see instructions)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
19a 3-year property						
b 5-year property						
c 7-year property						
d 10-year property						
e 15-year property						
f 20-year property						
g 25-year property			25 yrs		S/L	
h Residential rental property			27.5 yrs	MM	S/L	
i Nonresidential real property			27.5 yrs	MM	S/L	
			39 yrs	MM	S/L	
				MM	S/L	

Section C — Assets Placed in Service During 2009 Tax Year Using the Alternative Depreciation System

20a Class life					S/L	
b 12-year			12 yrs		S/L	
c 40-year			40 yrs	MM	S/L	

Part IV Summary (See instructions.)

21	Listed property Enter amount from line 28.	21	
22	Total. Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21. Enter here and on the appropriate lines of your return Partnerships and S corporations — see instructions	22	565.
23	For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs	23	

BAA For Paperwork Reduction Act Notice, see separate instructions.

FDI20812L 07/07/09

Form **4562** (2009)

2009

Federal Statements

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New Priorities Foundation

91-1805939

Statement 1
Form 990-PF, Part I, Line 11
Other Income

	(a) Revenue per Books	(b) Net Investment Income	(c) Adjusted Net Income
Misc Investment Income	\$ 2,285.	\$ 2,285.	
Total	\$ 2,285.	\$ 2,285.	0.

Statement 2
Form 990-PF, Part I, Line 16b
Accounting Fees

	(a) Expenses per Books	(b) Net Investment Income	(c) Adjusted Net Income	(d) Charitable Purposes
Tax Preparation	\$ 7,770.			\$ 7,770.
Total	\$ 7,770.	\$ 0.		\$ 7,770.

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

	(a) Expenses per Books	(b) Net Investment Income	(c) Adjusted Net Income	(d) Charitable Purposes
Investment Management Fees	\$ 19,627.	\$ 19,627.		
Total	\$ 19,627.	\$ 19,627.		\$ 0.

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

	(a) Expenses per Books	(b) Net Investment Income	(c) Adjusted Net Income	(d) Charitable Purposes
Excise Taxes	\$ 1,000.			
Foreign Withholding on Dividends	1,487.	\$ 1,487.		
Total	\$ 2,487.	\$ 1,487.		\$ 0.

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

	(a) Expenses per Books	(b) Net Investment Income	(c) Adjusted Net Income	(d) Charitable Purposes
Bank Fees	\$ 218.	\$ 218.		
Filing Fees	60.			\$ 60.
Other Exp	70.			70.
Total	\$ 348.	\$ 218.		\$ 130.

Statement 6
Form 990-PF, Part II, Line 10b
Investments - Corporate Stocks

Corporate Stocks	Valuation Method	Book Value	Fair Market Value
Aflac, 575 Sh.	Mkt Val	\$ 26,594.	\$ 26,594.
Air Products & Chem, 375 Sh.	Mkt Val	30,397.	30,397.
Alliant Energy, 450 Sh.	Mkt Val	13,617.	13,617.
Amer Express, 400 Sh.	Mkt Val	16,208.	16,208.
Apache Corp., 775 Sh.	Mkt Val	79,957.	79,957.
Bank of America, 2700 Sh.	Mkt Val	40,662.	40,662.
BP PLC Spons ADR, 1400 Sh.	Mkt Val	81,158.	81,158.
Chubb Corp., 1125 Sh.	Mkt Val	55,327.	55,327.
Church & Dwight, 200 Sh.	Mkt Val	12,090.	12,090.
Cisco Systems, 2975 Sh.	Mkt Val	71,221.	71,221.
Colgate Palmolive, 725 Sh.	Mkt Val	59,559.	59,559.
Emerson Electric, 875 Sh.	Mkt Val	37,275.	37,275.
Hewlett Packard, 1700 Sh.	Mkt Val	87,567.	87,567.
Illinois Tool Works, 875 Sh.	Mkt Val	41,991.	41,991.
Johnson and Johnson, 1225 Sh.	Mkt Val	78,902.	78,902.
Johnson Controls, 650 Sh.	Mkt Val	17,706.	17,706.
JP Morgan Chase & Co., 1425 Sh.	Mkt Val	59,380.	59,380.
Lowe's Companies, 825 Sh.	Mkt Val	19,297.	19,297.
Medtronic, 1450 Sh.	Mkt Val	63,771.	63,771.
Microsoft, 2100 Sh.	Mkt Val	64,008.	64,008.
Oracle Corp., 2625 Sh.	Mkt Val	64,391.	64,391.
Pepsico, 750 Sh.	Mkt Val	45,600.	45,600.
Procter & Gamble, 1025 Sh.	Mkt Val	62,146.	62,146.
Statoil ASA ADR, 2725 Sh.	Mkt Val	67,880.	67,880.
Sunoco, 400 Sh.	Mkt Val	10,440.	10,440.
Target Corp., 600 Sh.	Mkt Val	29,022.	29,022.
Teva Pharmaceutical ADR, 850 Sh.	Mkt Val	47,753.	47,753.
Toyota Motor ADR, 300 Sh.	Mkt Val	25,248.	25,248.
WW Grainger, 225 Sh.	Mkt Val	21,787.	21,787.
3M Company, 625 Sh.	Mkt Val	51,669.	51,669.
Apple Inc., 350 sh.	Mkt Val	73,756.	73,756.
Baxter Interntl Inc, 675 sh.	Mkt Val	39,609.	39,609.
Goldman Sachs Group, 275 sh.	Mkt Val	46,431.	46,431.
General Mills, 975 Sh.	Mkt Val	69,040.	69,040.
Intl Business Machines Corp, 725 sh.	Mkt Val	94,903.	94,903.
Thomas & Betts CP, 875 sh.	Mkt Val	31,316.	31,316.
Telefonica SA Spain ADR, 250 sh.	Mkt Val	20,880.	20,880.
Advance Auto Parts Inc, 850 sh.	Mkt Val	34,408.	34,408.
AT&T Inc, 2025 Sh.	Mkt Val	56,761.	56,761.
Avista Corp, 1000 Sh.	Mkt Val	21,590.	21,590.

Statement 6 (continued)
Form 990-PF, Part II, Line 10b
Investments - Corporate Stocks

<u>Corporate Stocks</u>	<u>Valuation Method</u>	<u>Book Value</u>	<u>Fair Market Value</u>
Chipotle Mexian Gr Cl B, 175 Sh.	Mkt Val	\$ 15,428.	\$ 15,428.
Deckers Outdoors Corp, 150 Sh.	Mkt Val	15,258.	15,258.
Hologic Inc, 750 Sh.	Mkt Val	10,875.	10,875.
JM Smucker Co, 375 Sh.	Mkt Val	23,156.	23,156.
Jarden Corp, 1050 Sh.	Mkt Val	32,455.	32,455.
Minerals Technologies, 375 Sh.	Mkt Val	20,426.	20,426.
National Grid Plc Sp ADR, 425 Sh.	Mkt Val	23,112.	23,112.
Pentair Inc, 1075 Sh.	Mkt Val	34,723.	34,723.
Royal Bank of Canada PV\$1, 425 Sh.	Mkt Val	22,759.	22,759.
Superior Energy Svcs Inc, 925 Sh.	Mkt Val	22,468.	22,468.
Sysco Corporation, 675 Sh.	Mkt Val	18,860.	18,860.
Wells Fargo & Co New Del, 1400 Sh.	Mkt Val	37,786.	37,786.
Amgen Inc, 300 Sh.	Mkt Val	16,971.	16,971.
AMN Superconductor, 550 Sh.	Mkt Val	22,495.	22,495.
Barclays PLC, 1100 Sh.	Mkt Val	19,360.	19,360.
Becton Dickinson Co, 350 Sh.	Mkt Val	27,601.	27,601.
Dell Inc, 1000 Sh.	Mkt Val	14,360.	14,360.
EMC Corp Mass, 1075 Sh.	Mkt Val	18,780.	18,780.
EBay Inc, 650 Sh.	Mkt Val	15,294.	15,294.
Ecolab Inc, 550 Sh.	Mkt Val	24,519.	24,519.
Endo Pharmaceutcls, 950 Sh.	Mkt Val	19,494.	19,494.
F5 Networks Inc, 400 Sh.	Mkt Val	21,188.	21,188.
Glaxxosmithkline, 1000 Sh.	Mkt Val	42,250.	42,250.
Google Inc, 50 Sh.	Mkt Val	30,999.	30,999.
Home Depot Inc, 1100 Sh.	Mkt Val	31,823.	31,823.
Intel Corp, 2275 Sh.	Mkt Val	46,410.	46,410.
McGraw Hill Companies, 575 Sh.	Mkt Val	19,268.	19,268.
Middleby Corp, 350 Sh.	Mkt Val	17,157.	17,157.
Noble Corp, 1250 Sh.	Mkt Val	50,875.	50,875.
Owens Ill Inc, 600 Sh.	Mkt Val	19,722.	19,722.
Progressive, 900 Sh.	Mkt Val	16,191.	16,191.
Schwab Charles Corp, 1025 Sh.	Mkt Val	19,290.	19,290.
Sealed Air Corp, 1350 Sh.	Mkt Val	29,511.	29,511.
Spectra Energy Corp, 3200 Sh.	Mkt Val	65,632.	65,632.
Timberland Co, 1150 Sh.	Mkt Val	20,620.	20,620.
Time Warner Inc, 700 Sh.	Mkt Val	20,398.	20,398.
WR Berkley Corp, 1100 Sh.	Mkt Val	27,104.	27,104.
Waters Corp, 400 Sh.	Mkt Val	24,784.	24,784.
	Total	\$ 2,830,719.	\$ 2,830,719.

Statement 7
Form 990-PF, Part II, Line 10c
Investments - Corporate Bonds

<u>Corporate Bonds</u>	<u>Valuation Method</u>	<u>Book Value</u>	<u>Fair Market Value</u>
Powershares Global Clean	Mkt Val	\$ 42,483.	\$ 42,483.
Powershares TR Wilder	Mkt Val	42,900.	42,900.
	Total	\$ 85,383.	\$ 85,383.

Statement 8
Form 990-PF, Part II, Line 14
Land, Buildings, and Equipment

Category	Basis	Accum. Deprec.	Book Value	Fair Market Value
Machinery and Equipment	\$ 8,062.	\$ 7,205.	\$ 857.	\$ 857.
Total	<u>\$ 8,062.</u>	<u>\$ 7,205.</u>	<u>\$ 857.</u>	<u>\$ 857.</u>

Statement 9
Form 990-PF, Part III, Line 3
Other Increases

FMV Adjustment of Investments	Total	\$ 813,538.
		<u>\$ 813,538.</u>

Statement 10
Form 990-PF, Part VIII, Line 1
List of Officers, Directors, Trustees, and Key Employees

Name and Address	Title and Average Hours Per Week Devoted	Compen- sation	Contri- bution to EBP & DC	Expense Account/ Other
Nancy G. Schaub One Tunitas Creek Ranch Road Half Moon Bay, CA 94019	President/Chair 1.00	\$ 0.	\$ 0.	\$ 0.
Sally G. Douglas One Tunitas Creek Ranch Road Half Moon Bay, CA 94019	Vice President 1.00	0.	0.	0.
Anne Schaub One Tunitas Creek Ranch Road Half Moon Bay, CA 94019	Director 1.00	0.	0.	0.
David Schaub One Tunitas Creek Ranch Road Half Moon Bay, CA 94019	Director 1.00	0.	0.	0.
Tim Schaub One Tunitas Creek Ranch Road Half Moon Bay, CA 94019	Director 1.00	0.	0.	0.
Carole Rolando One Tunitas Creek Ranch Road Half Moon Bay, CA 94019	Director 1.00	0.	0.	0.
Total		<u>\$ 0.</u>	<u>\$ 0.</u>	<u>\$ 0.</u>

Statement 11
Form 990-PF, Part XV, Line 3a
Recipient Paid During the Year

<u>Name and Address</u>	<u>Donee Relationship</u>	<u>Found- ation Status</u>	<u>Purpose of Grant</u>	<u>Amount</u>
Bioneers 1607 De Peralta, Suite 3 Lamy, NM 87501	N/A	509(a)1	General Support	\$ 5,000.
Futurewise 814 Second Ave, Ste 500 Seattle, WA 98104	N/A	509(a)1	General Support	25,000.
The Land Institute 2440 E Walter Well Road Salina, KS 67401	N/A	509(a)1	General Support	25,000.
Climate Solutions 1402 Third Avenue, Suite 1305 Seattle, WA 98101	N/A	509(a)1	General Support	30,000.
BORN Inc 111 S Grand Ave Ste 217 Bozeman, MT 59715	N/A	509(a)1	General Support	21,500.
City of Bozeman 121 N Rouse Avenue Bozeman, MT 59771	N/A	509(a)1	General Support	30,000.
Center for Ecoliteracy 2528 San Pablo Ave Berkeley, CA 94702	N/A	509(a)1	General Support	11,000.
The Emmerson Ctr for the Arts & Culture 111 So Grand Acenue Bozeman, MT 59715	N/A	509(a) (1)	General Support	15,000.
Playwrights Foundation 1616 16th Street, Ste 350 San Francisco, CA 94103	N/A	509(a) (1)	General Support	1,000.
Total				\$ <u>163,500.</u>

12/31/09

2009 Federal Book Summary Depreciation Schedule

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New Priorities Foundation

91-1805939

No.	Description	Date Acquired	Date Sold	Cost/ Basis	Bus Pct	Cur 179/ SDA	Prior 179/ SDA/ Depr.	Method	Life	Current Depr.
Form 990/990-PF										
Machinery and Equipment										
1	Computer and Software	5/05/06		2,142			1,517	200DB HY	5	247
2	Furnishings and Equipment	Various		4,262			4,262	200DB HY	5	0
3	Computer and Software	4/09/07		1,657			861	200DB HY	5	318
Total Machinery and Equipment				8,061		0	6,640			565
Total Depreciation				8,061		0	6,640			565
Grand Total Depreciation				8,061		0	6,640			565