

Return of Organization Exempt From Income Tax

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)

2009

The organization may have to use a copy of this return to satisfy state reporting requirements

Open to Public Inspection

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

B Check if applicable:
 Address change
 Name change
 Initial return
 Termination
 Amended return
 Application pending

C Name of organization: **The Shepherd's Way, Inc.**
 Doing Business As: _____
 Number and street (or P O box if mail is not delivered to street address): **1232 NE 26th Street**
 Room/suite: _____
 City or town, state or country, and ZIP + 4: **Wilton Manors FL 33305**

D Employer identification number: **65-0670031**

E Telephone number: **954-566-2311**

F Name and address of principal officer:
Robin Martin
1232 NE 26th Street
Wilton Manors FL 33305

G Gross receipts \$: **880,883**

H(a) Is this a group return for affiliates? Yes No
H(b) Are all affiliates included? Yes No
 If "No," attach a list (see instructions)

I Tax-exempt status: 501(c) (**3**) ◀ (insert no) 4947(a)(1) or 527

J Website: ▶ **www.theshepherdsway.org**

K Type of organization: Corporation Trust Association Other ▶

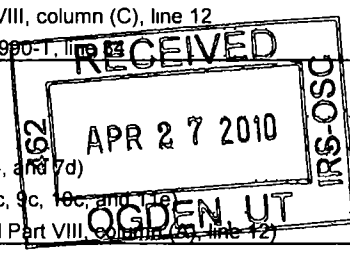
L Year of formation: **1996** **M** State of legal domicile: **FL**

H(c) Group exemption number ▶ _____

Part I Summary

SCANNED MAY 21 2010

| | | | | |
|--|---|---|---------------------------|----------------|
| Activities & Governance | 1 Briefly describe the organization's mission or most significant activities: Providing hope for homeless and hurting families through services and partnerships with the Christian community. | | | |
| | 2 Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets | | | |
| | 3 Number of voting members of the governing body (Part VI, line 1a) | 3 | 10 | |
| | 4 Number of independent voting members of the governing body (Part VI, line 1b) | 4 | 10 | |
| | 5 Total number of employees (Part V, line 2a) | 5 | 0 | |
| | 6 Total number of volunteers (estimate if necessary) | 6 | 451 | |
| | 7a Total gross unrelated business revenue from Part VIII, column (C), line 12 | 7a | | |
| 7b Net unrelated business taxable income from Form 990-T, line 15 | 7b | 0 | | |
| Revenue | 8 Contributions and grants (Part VIII, line 1h) | Prior Year | Current Year | |
| | 9 Program service revenue (Part VIII, line 2g) | 651,497 | 568,425 | |
| | 10 Investment income (Part VIII, column (A), lines 3, 4, and 7d) | 21,136 | 31,461 | |
| | 11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e) | 770 | 1,248 | |
| | 12 Total revenue - add lines 8 through 11 (must equal Part VIII, column (C), line 12) | 256,319 | 274,471 | |
| | 13 Grants and similar amounts paid (Part IX, column (A), lines 1-3) | 929,722 | 875,605 | |
| | 14 Benefits paid to or for members (Part IX, column (A), line 4) | | | |
| | 15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10) | | | |
| | 16a Professional fundraising fees (Part IX, column (A), line 11e) | | | |
| | b Total fundraising expenses (Part IX, column (D), line 25) ▶ 32,124 | | | |
| Expenses | 17 Other expenses (Part IX, column (A), lines 11a-11d, 11f-24f) | 360,279 | 510,434 | |
| | 18 Total expenses - Add lines 13-17 (must equal Part IX, column (A), line 25) | 365,536 | 423,375 | |
| | 19 Revenue less expenses - Subtract line 18 from line 12 | 725,815 | 933,809 | |
| | | 203,907 | -58,204 | |
| | Net Assets or Fund Balances | 20 Total assets (Part X, line 16) | Beginning of Current Year | End of Year |
| | | 21 Total liabilities (Part X, line 26) | 890,080 | 850,248 |
| | | 22 Net assets or fund balances - Subtract line 21 from line 20 | 44,042 | 49,272 |
| | | 846,038 | 800,976 | |



Part II Signature Block

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 officer) is based on all information of which preparer has any knowledge.

Sign Here
 Signature of officer: *[Signature]* Date: **4/21/2010**
 Type or print name and title: **Executive Director**

Paid Preparer's Use Only
 Preparer's signature: *[Signature]* Date: **04/07/10** Check if self-employed
 Preparer's identifying number (see instructions): **041-62-5023**
 Firm's name (or yours if self-employed), address, and ZIP + 4: **ROBBINS & LANDINO, PA**
222 S.E. 10th Street
Fort Lauderdale, FL 33316
 EIN ▶ **65-0356804**
 Phone no ▶ **954-467-3100**

May the IRS discuss this return with the preparer shown above? (see instructions) Yes No

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Part III Statement of Program Service Accomplishments

1 Briefly describe the organization's mission:

Providing hope for homeless and hurting families through services and partnerships with the Christian community.

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ?

[X] Yes [] No

If "Yes," describe these new services on Schedule O.

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services?

[] Yes [X] No

If "Yes," describe these changes on Schedule O.

4 Describe the exempt purpose achievements for each of the organization's three largest program services by expenses.

Section 501(c)(3) and 501(c)(4) organizations and section 4947(a)(1) trusts are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported.

4a (Code:) (Expenses \$ 579,797 including grants of \$) (Revenue \$)

Our goal is to bring about transformation in the lives of homeless and hurting families through the provision of housing solutions and family services; and to serve as a guiding partner in transforming, educating, and bringing the Christian community into relationship with families served.

-685 homeless clients were served by the various programs offered by The Shepherd's Way including Faith in Action Community Housing, Paul's Place Family Shelter, Community Case Management, Crisis Pregnancy Counseling and Aces Afterschool Program.

-4,299 impoverished clients were served by our Manna from Heaven Food Pantry.

4b (Code:) (Expenses \$ 238,791 including grants of \$) (Revenue \$)

Thrift Store- Operation of thrift store to raise funds and merchandise for the needs of the homeless-213 people served.

4c (Code:) (Expenses \$ including grants of \$) (Revenue \$)

4d Other program services. (Describe in Schedule O.)

(Expenses \$ including grants of \$) (Revenue \$)

4e Total program service expenses ▶ 818,588

Part IV Checklist of Required Schedules

| | | Yes | No |
|-----|---|-----|----|
| 1 | Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? If "Yes," complete Schedule A | X | |
| 2 | Is the organization required to complete Schedule B, Schedule of Contributors? | X | |
| 3 | Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? If "Yes," complete Schedule C, Part I | | X |
| 4 | Section 501(c)(3) organizations. Did the organization engage in lobbying activities? If "Yes," complete Schedule C, Part II | | X |
| 5 | Section 501(c)(4), 501(c)(5), and 501(c)(6) organizations. Is the organization subject to the section 6033(e) notice and reporting requirement and proxy tax? If "Yes," complete Schedule C, Part III | | |
| 6 | Did the organization maintain any donor advised funds or any similar funds or accounts where donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? If "Yes," complete Schedule D, Part I | | X |
| 7 | Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? If "Yes," complete Schedule D, Part II | | X |
| 8 | Did the organization maintain collections of works of art, historical treasures, or other similar assets? If "Yes," complete Schedule D, Part III | | X |
| 9 | Did the organization report an amount in Part X, line 21, serve as a custodian for amounts not listed in Part X, or provide credit counseling, debt management, credit repair, or debt negotiation services? If "Yes," complete Schedule D, Part IV | | X |
| 10 | Did the organization, directly or through a related organization, hold assets in term, permanent, or quasi-endowments? If "Yes," complete Schedule D, Part V | | X |
| 11 | Is the organization's answer to any of the following questions "Yes"? If so, complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable | X | |
| | • Did the organization report an amount for land, buildings, and equipment in Part X, line 10? If "Yes," complete Schedule D, Part VI | | |
| | • Did the organization report an amount for investments—other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VII | | |
| | • Did the organization report an amount for investments—program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VIII | | |
| | • Did the organization report an amount for other assets related in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part IX | | |
| | • Did the organization report an amount for other liabilities in Part X, line 25? If "Yes," complete Schedule D, Part X | | |
| | • Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48? If "Yes," complete Schedule D, Part X | | |
| 12 | Did the organization obtain separate, independent audited financial statements for the tax year? If "Yes," complete Schedule D, Parts XI, XII, and XIII | X | |
| 12A | Was the organization included in consolidated, independent audited financial statements for the tax year? If "Yes," completing Schedule D, Parts XI, XII, and XIII is optional | | |
| | | Yes | No |
| 12A | | | X |
| 13 | Is the organization a school described in section 170(b)(1)(A)(ii)? If "Yes," complete Schedule E | | X |
| 14a | Did the organization maintain an office, employees, or agents outside of the United States? | | X |
| 14b | Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, and program service activities outside the United States? If "Yes," complete Schedule F, Part I | | X |
| 15 | Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or assistance to any organization or entity located outside the United States? If "Yes," complete Schedule F, Part II | | X |
| 16 | Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or assistance to individuals located outside the United States? If "Yes," complete Schedule F, Part III | | X |
| 17 | Did the organization report a total of more than \$15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? If "Yes," complete Schedule G, Part I | | X |
| 18 | Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? If "Yes," complete Schedule G, Part II | X | |
| 19 | Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? If "Yes," complete Schedule G, Part III | | X |
| 20 | Did the organization operate one or more hospitals? If "Yes," complete Schedule H | | X |

Part IV Checklist of Required Schedules (continued)

| | Yes | No |
|--|-----|----|
| 21 Did the organization report more than \$5,000 of grants and other assistance to governments and organizations in the United States on Part IX, column (A), line 1? If "Yes," complete Schedule I, Parts I and II | | X |
| 22 Did the organization report more than \$5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? If "Yes," complete Schedule I, Parts I and III | | X |
| 23 Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? If "Yes," complete Schedule J | | X |
| 24a Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25 | | X |
| 24b Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception? | | |
| 24c Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds? | | |
| 24d Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year? | | |
| 25a Section 501(c)(3) and 501(c)(4) organizations. Did the organization engage in an excess benefit transaction with a disqualified person during the year? If "Yes," complete Schedule L, Part I | | X |
| 25b Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? If "Yes," complete Schedule L, Part I | | X |
| 26 Was a loan to or by a current or former officer, director, trustee, key employee, highly compensated employee, or disqualified person outstanding as of the end of the organization's tax year? If "Yes," complete Schedule L, Part II | | X |
| 27 Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor, or a grant selection committee member, or to a person related to such an individual? If "Yes," complete Schedule L, Part III | | X |
| 28 Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions) | | |
| 28a A current or former officer, director, trustee, or key employee? If "Yes," complete Schedule L, Part IV | | X |
| 28b A family member of a current or former officer, director, trustee, or key employee? If "Yes," complete Schedule L, Part IV | | X |
| 28c An entity of which a current or former officer, director, trustee, or key employee of the organization (or a family member) was an officer, director, trustee, or direct or indirect owner? If "Yes," complete Schedule L, Part IV | | X |
| 29 Did the organization receive more than \$25,000 in non-cash contributions? If "Yes," complete Schedule M | | X |
| 30 Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? If "Yes," complete Schedule M | | X |
| 31 Did the organization liquidate, terminate, or dissolve and cease operations? If "Yes," complete Schedule N, Part I | | X |
| 32 Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? If "Yes," complete Schedule N, Part II | | X |
| 33 Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? If "Yes," complete Schedule R, Part I | | X |
| 34 Was the organization related to any tax-exempt or taxable entity? If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1 | | X |
| 35 Is any related organization a controlled entity within the meaning of section 512(b)(13)? If "Yes," complete Schedule R, Part V, line 2 | | X |
| 36 Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? If "Yes," complete Schedule R, Part V, line 2 | | X |
| 37 Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? If "Yes," complete Schedule R, Part VI | | X |
| 38 Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11 and 19? Note. All Form 990 filers are required to complete Schedule O | X | |

Part V Statements Regarding Other IRS Filings and Tax Compliance

| | | Yes | No |
|------------|--|-----|----|
| 1a | Enter the number reported in Box 3 of Form 1096, Annual Summary and Transmittal of U S Information Returns Enter -0- if not applicable | | |
| | 1a 4 | | |
| 1b | Enter the number of Forms W-2G included in line 1a Enter -0- if not applicable | | |
| | 1b 0 | | |
| 1c | Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners? | | X |
| 2a | Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return <small>Used Payroll Leasing Company</small> | | |
| | 2a 0 | | |
| 2b | If at least one is reported on line 2a, did the organization file all required federal employment tax returns? Note. If the sum of lines 1a and 2a is greater than 250, you may be required to e-file this return (see instructions) | | |
| 3a | Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return? | | X |
| 3b | If "Yes," has it filed a Form 990-T for this year? If "No," provide an explanation in Schedule O | | |
| 4a | At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)? | | X |
| 4b | If "Yes," enter the name of the foreign country ► See the instructions for exceptions and filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts | | |
| 5a | Was the organization a party to a prohibited tax shelter transaction at any time during the tax year? | | X |
| 5b | Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction? | | X |
| 5c | If "Yes," to line 5a or 5b, did the organization file Form 8886-T, Disclosure by Tax-Exempt Entity Regarding Prohibited Tax Shelter Transaction? | | |
| 6a | Does the organization have annual gross receipts that are normally greater than \$100,000, and did the organization solicit any contributions that were not tax deductible? | | X |
| 6b | If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible? | | |
| 7 | Organizations that may receive deductible contributions under section 170(c). | | |
| 7a | Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor? | | X |
| 7b | If "Yes," did the organization notify the donor of the value of the goods or services provided? | | |
| 7c | Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282? | | X |
| 7d | If "Yes," indicate the number of Forms 8282 filed during the year | | |
| 7e | Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? | | X |
| 7f | Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? | | X |
| 7g | For all contributions of qualified intellectual property, did the organization file Form 8899 as required? | | X |
| 7h | For contributions of cars, boats, airplanes, and other vehicles, did the organization file a Form 1098-C as required? | X | |
| 8 | Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations. Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year? | | |
| 9 | Sponsoring organizations maintaining donor advised funds. | | |
| 9a | Did the organization make any taxable distributions under section 4966? | | |
| 9b | Did the organization make a distribution to a donor, donor advisor, or related person? | | |
| 10 | Section 501(c)(7) organizations. Enter | | |
| 10a | Initiation fees and capital contributions included on Part VIII, line 12 | | |
| 10b | Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities | | |
| 11 | Section 501(c)(12) organizations. Enter | | |
| 11a | Gross income from members or shareholders | | |
| 11b | Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them) | | |
| 12a | Section 4947(a)(1) non-exempt charitable trusts. Is the organization filing Form 990 in lieu of Form 1041? | | |
| 12b | If "Yes," enter the amount of tax-exempt interest received or accrued during the year | | |

Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

1a Complete this table for all persons required to be listed. Report compensation for the calendar year ending with or within the organization's tax year. Use Schedule J-2 if additional space is needed.

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation. Enter -0- in columns (D), (E), and (F) if no compensation was paid.
- List all of the organization's **current** key employees. See instructions for definition of "key employee."
- List the organization's five **current** highest compensated employees (other than an officer, director, trustee, or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than \$100,000 from the organization and any related organizations.
- List all of the organization's **former** officers, key employees, and highest compensated employees who received more than \$100,000 of reportable compensation from the organization and any related organizations.
- List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than \$10,000 of reportable compensation from the organization and any related organizations.

List persons in the following order: individual trustees or directors; institutional trustees; officers; key employees; highest compensated employees; and former such persons.

Check this box if the organization did not compensate any current officer, director, or trustee

| (A) Name and Title | (B) Average hours per week | (C) Position (check all that apply) | | | | | | (D) Reportable compensation from the organization (W-2/1099-MISC) | (E) Reportable compensation from related organizations (W-2/1099-MISC) | (F) Estimated amount of other compensation from the organization and related organizations |
|--------------------------------------|-------------------------------|--|-----------------------|---------|--------------|------------------------------|--------|--|---|---|
| | | Individual trustee or director | Institutional trustee | Officer | Key employee | Highest compensated employee | Former | | | |
| George Hunsaker Board Member | 1.00 | X | | | | | 0 | 0 | 0 | |
| Stephen Renae, M.D. Board Member | 1.00 | X | | | | | 0 | 0 | 0 | |
| Phil Roughton Board Member | 1.00 | X | | | | | 0 | 0 | 0 | |
| Sandy Spilos R.D. Board Member | 1.00 | X | | | | | 0 | 0 | 0 | |
| Sean Stepleton Board Member | 1.00 | X | | | | | 0 | 0 | 0 | |
| Joe Vason Board Member | 1.00 | X | | | | | 0 | 0 | 0 | |
| Robin Martin Exec. Dir. | 40.00 | | | X | | | 63,814 | 0 | 0 | |
| Pery Canan Chair | 1.00 | | | X | | | 0 | 0 | 0 | |
| Fred Scarbrough Founder | 1.00 | | | X | | | 0 | 0 | 0 | |
| William (Bill) Cranshaw Treasurer | 1.00 | | | X | | | 0 | 0 | 0 | |
| Kim Saiswick Secretary | 1.00 | | | X | | | 0 | 0 | 0 | |
| | | | | | | | | | | |
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| | | | | | | | | | | |
| | | | | | | | | | | |

Part VIII Statement of Revenue

| | | | (A) Total revenue | (B) Related or exempt function revenue | (C) Unrelated business revenue | (D) Revenue excluded from tax under sections 512, 513, or 514 |
|--|--|-------------------|----------------------|--|---|---|
| Contributions, gifts, grants and other similar amounts | 1a Federated campaigns | 1a | | | | |
| | b Membership dues | 1b | | | | |
| | c Fundraising events | 1c | 14,099 | | | |
| | d Related organizations | 1d | | | | |
| | e Government grants (contributions) | 1e | 103,087 | | | |
| | f All other contributions, gifts, grants, and similar amounts not included above | 1f | 451,239 | | | |
| | g Noncash contributions included in lines 1a-1f | \$ | | | | |
| | h Total. Add lines 1a-1f | | | 568,425 | | |
| Program Service Revenue | | Busn Code | | | | |
| | 2a Residence Fees | 624200 | 31,461 | 31,461 | | |
| | b | | | | | |
| | c | | | | | |
| | d | | | | | |
| | e | | | | | |
| | f All other program service revenue | | | | | |
| g Total. Add lines 2a-2f | | | 31,461 | | | |
| Other Revenue | 3 Investment income (including dividends, interest, and other similar amounts) | | 1,248 | | | 1,248 |
| | 4 Income from investment of tax-exempt bond proceeds | | | | | |
| | 5 Royalties | | | | | |
| | | (i) Real | (ii) Personal | | | |
| | 6a Gross Rents | 21,148 | | | | |
| | b Less rental exps | | | | | |
| | c Rental inc or (loss) | 21,148 | | | | |
| | d Net rental income or (loss) | | | 21,148 | | 21,148 |
| | 7a Gross amount from sales of assets other than inventory | (i) Securities | (ii) Other | | | |
| | b Less cost or other basis & sales exps | | | | | |
| | c Gain or (loss) | | | | | |
| | d Net gain or (loss) | | | | | |
| | 8a Gross income from fundraising events (not including \$ 14,099 of contributions reported on line 1c) See Part IV, line 18 | a | 6,010 | | | |
| | b Less direct expenses | b | 5,278 | | | |
| | c Net income or (loss) from fundraising events | | | 732 | | 732 |
| 9a Gross income from gaming activities See Part IV, line 19 | a | | | | | |
| b Less direct expenses | b | | | | | |
| c Net income or (loss) from gaming activities | | | | | | |
| 10a Gross sales of inventory, less returns and allowances | a | 252,591 | | | | |
| b Less cost of goods sold | b | | | | | |
| c Net income or (loss) from sales of inventory | | | 252,591 | 252,591 | | |
| | Miscellaneous Revenue | Busn. Code | | | | |
| 11a | | | | | | |
| b | | | | | | |
| c | | | | | | |
| d All other revenue | | | | | | |
| e Total. Add lines 11a-11d | | | | | | |
| 12 Total Revenue. See instructions | | | 875,605 | 284,052 | 0 | 23,128 |

Part IX Statement of Functional Expenses

**Section 501(c)(3) and 501(c)(4) organizations must complete all columns.
All other organizations must complete column (A) but are not required to complete columns (B), (C), and (D).**

| Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII. | (A) Total expenses | (B) Program service expenses | (C) Management and general expenses | (D) Fundraising expenses |
|---|-----------------------|---------------------------------|--|-----------------------------|
| 1 Grants and other assistance to governments and organizations in the U S See Part IV, line 21 | | | | |
| 2 Grants and other assistance to individuals in the U S See Part IV, line 22 | | | | |
| 3 Grants and other assistance to governments, organizations, and individuals outside the U S See Part IV, lines 15 and 16 | | | | |
| 4 Benefits paid to or for members | | | | |
| 5 Compensation of current officers, directors, trustees, and key employees | 61,718 | 31,674 | 12,344 | 17,700 |
| 6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) | | | | |
| 7 Other salaries and wages | 383,429 | 359,759 | 16,703 | 6,967 |
| 8 Pension plan contributions (include section 401(k) and section 403(b) employer contributions) | | | | |
| 9 Other employee benefits | 30,328 | 23,077 | 5,860 | 1,391 |
| 10 Payroll taxes | 34,959 | 28,285 | 3,735 | 2,939 |
| 11 Fees for services (non-employees) | | | | |
| a Management | | | | |
| b Legal | | | | |
| c Accounting | 6,000 | | 6,000 | |
| d Lobbying | | | | |
| e Professional fundraising services See Part IV, line 17 | | | | |
| f Investment management fees | | | | |
| g Other | 54,466 | 54,466 | | |
| 12 Advertising and promotion | | | | |
| 13 Office expenses | 28,425 | 14,963 | 11,790 | 1,672 |
| 14 Information technology | | | | |
| 15 Royalties | | | | |
| 16 Occupancy | 79,565 | 67,327 | 12,238 | |
| 17 Travel | 1,847 | 1,243 | 589 | 15 |
| 18 Payments of travel or entertainment expenses for any federal, state, or local public officials | | | | |
| 19 Conferences, conventions, and meetings | 4,368 | 742 | 3,573 | 53 |
| 20 Interest | 2,300 | 2,300 | | |
| 21 Payments to affiliates | | | | |
| 22 Depreciation, depletion, and amortization | 27,178 | 26,229 | 949 | |
| 23 Insurance | 42,917 | 39,233 | 2,829 | 855 |
| 24 Other expenses Itemize expenses not covered above (Expenses grouped together and labeled miscellaneous may not exceed 5% of total expenses shown on line 25 below) | | | | |
| a Utilities | 83,654 | 81,631 | 2,023 | |
| b Repairs and Maintenance | 40,124 | 40,022 | 102 | |
| c Client Assistance | 18,135 | 18,135 | | |
| d Telephone | 16,477 | 13,833 | 2,244 | 400 |
| e Credit Card&Bank Charges | 7,266 | 5,444 | 1,822 | |
| f All other expenses | 10,653 | 10,225 | 296 | 132 |
| 25 Total functional expenses. Add lines 1 through 24f | 933,809 | 818,588 | 83,097 | 32,124 |
| 26 Joint costs. Check here <input type="checkbox"/> if following SOP 98-2 Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation | | | | |

Part X Balance Sheet

| | | (A) Beginning of year | | (B) End of year |
|---|--|--------------------------|------------|--------------------|
| Assets | 1 Cash—non-interest bearing | 44,995 | 1 | 55,326 |
| | 2 Savings and temporary cash investments | 170,859 | 2 | 78,856 |
| | 3 Pledges and grants receivable, net | 149,448 | 3 | 114,223 |
| | 4 Accounts receivable, net | | 4 | |
| | 5 Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L | | 5 | |
| | 6 Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) Complete Part II of Schedule L | | 6 | |
| | 7 Notes and loans receivable, net | | 7 | |
| | 8 Inventories for sale or use | 74,107 | 8 | 65,975 |
| | 9 Prepaid expenses and deferred charges | 14,162 | 9 | 10,298 |
| | 10a Land, buildings, and equipment cost or other basis Complete Part VI of Schedule D | 10a 772,461 | | |
| | b Less accumulated depreciation | 10b 250,323 | 436,359 | 10c 522,138 |
| | 11 Investments—publicly traded securities | | 11 | |
| | 12 Investments—other securities See Part IV, line 11 | | 12 | |
| | 13 Investments—program-related See Part IV, line 11 | | 13 | |
| | 14 Intangible assets | | 14 | |
| | 15 Other assets See Part IV, line 11 | | 150 | 15 3,432 |
| 16 Total assets. Add lines 1 through 15 (must equal line 34) | | 890,080 | 16 850,248 | |
| Liabilities | 17 Accounts payable and accrued expenses | 25,743 | 17 | 37,031 |
| | 18 Grants payable | | 18 | |
| | 19 Deferred revenue | | 19 | |
| | 20 Tax-exempt bond liabilities | | 20 | |
| | 21 Escrow or custodial account liability Complete Part IV of Schedule D | | 21 | |
| | 22 Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons Complete Part II of Schedule L | | 22 | |
| | 23 Secured mortgages and notes payable to unrelated third parties | | 23 | |
| | 24 Unsecured notes and loans payable to unrelated third parties | | 24 | |
| | 25 Other liabilities Complete Part X of Schedule D | 18,299 | 25 | 12,241 |
| | 26 Total liabilities. Add lines 17 through 25 | 44,042 | 26 | 49,272 |
| Net Assets or Fund Balances | Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34. | | | |
| | 27 Unrestricted net assets | 686,305 | 27 | 679,210 |
| | 28 Temporarily restricted net assets | 159,733 | 28 | 121,766 |
| | 29 Permanently restricted net assets | | 29 | |
| | Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 30 through 34. | | | |
| | 30 Capital stock or trust principal, or current funds | | 30 | |
| | 31 Paid-in or capital surplus, or land, building, or equipment fund | | 31 | |
| | 32 Retained earnings, endowment, accumulated income, or other funds | | 32 | |
| 33 Total net assets or fund balances | 846,038 | 33 | 800,976 | |
| 34 Total liabilities and net assets/fund balances | 890,080 | 34 | 850,248 | |

Part XI Financial Statements and Reporting

1 Accounting method used to prepare the Form 990 Cash Accrual Other _____

If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O

2a Were the organization's financial statements compiled or reviewed by an independent accountant?

b Were the organization's financial statements audited by an independent accountant?

c If "Yes" to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant?

If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O

d If "Yes" to line 2a or 2b, check a box below to indicate whether the financial statements for the year were issued on a consolidated basis, separate basis, or both

Separate basis Consolidated basis Both consolidated and separate basis

3a As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?

b If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits

| | Yes | No |
|-----------|-----|----|
| 2a | | X |
| 2b | X | |
| 2c | X | |
| 3a | | |
| 3b | | |

Public Charity Status and Public Support

2009

Open to Public Inspection

Complete if the organization is a section 501(c)(3) organization or a section 4947(a)(1) nonexempt charitable trust.

▶ Attach to Form 990 or Form 990-EZ. ▶ See separate instructions.

Department of the Treasury
Internal Revenue Service

Name of the organization

The Shepherd's Way, Inc.

Employer identification number

65-0670031

Part I Reason for Public Charity Status (All organizations must complete this part.) See instructions.

The organization is not a private foundation because it is (For lines 1 through 11, check only one box.)

- 1 A church, convention of churches, or association of churches described in **section 170(b)(1)(A)(i)**.
- 2 A school described in **section 170(b)(1)(A)(ii)**. (Attach Schedule E.)
- 3 A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii)**.
- 4 A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii)**. Enter the hospital's name, city, and state.
- 5 An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv)**. (Complete Part II.)
- 6 A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v)**.
- 7 An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi)**. (Complete Part II.)
- 8 A community trust described in **section 170(b)(1)(A)(vi)**. (Complete Part II.)
- 9 An organization that normally receives (1) more than 33 1/3 % of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions—subject to certain exceptions, and (2) no more than 33 1/3 % of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See **section 509(a)(2)**. (Complete Part III.)
- 10 An organization organized and operated exclusively to test for public safety. See **section 509(a)(4)**.
- 11 An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2). See **section 509(a)(3)**. Check the box that describes the type of supporting organization and complete lines 11e through 11h.
 - a Type I
 - b Type II
 - c Type III—Functionally integrated
 - d Type III—Other
- e By checking this box, I certify that the organization is not controlled directly or indirectly by one or more disqualified persons other than foundation managers and other than one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2).
- f If the organization received a written determination from the IRS that it is a Type I, Type II, or Type III supporting organization, check this box .
- g Since August 17, 2006, has the organization accepted any gift or contribution from any of the following persons?
 - (i) A person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the supported organization?
 - (ii) A family member of a person described in (i) above?
 - (iii) A 35% controlled entity of a person described in (i) or (ii) above?

| | Yes | No |
|----------|-----|----|
| 11g(i) | | |
| 11g(ii) | | |
| 11g(iii) | | |

| (i) Name of supported organization | (ii) EIN | (iii) Type of organization (described on lines 1–9 above or IRC section (see instructions)) | (iv) Is the organization in col (i) listed in your governing document? | | (v) Did you notify the organization in col (i) of your support? | | (vi) Is the organization in col (i) organized in the U.S.? | | (vii) Amount of support |
|------------------------------------|----------|---|--|----|---|----|--|----|-------------------------|
| | | | Yes | No | Yes | No | Yes | No | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| Total | | | | | | | | | |

Part II Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)
 (Complete only if you checked the box on line 5, 7, or 8 of Part I.)

Section A. Public Support

| Calendar year (or fiscal year beginning in) ► | (a) 2005 | (b) 2006 | (c) 2007 | (d) 2008 | (e) 2009 | (f) Total |
|--|----------|----------|----------|----------|----------|-----------|
| 1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants.") | 298,689 | 306,747 | 321,877 | 651,497 | 568,425 | 2,147,235 |
| 2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf | | | | | | |
| 3 The value of services or facilities furnished by a governmental unit to the organization without charge | | | | | | |
| 4 Total. Add lines 1 through 3 | 298,689 | 306,747 | 321,877 | 651,497 | 568,425 | 2,147,235 |
| 5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f) | | | | | | 61,566 |
| 6 Public support. Subtract line 5 from line 4 | | | | | | 2,085,669 |

Section B. Total Support

| Calendar year (or fiscal year beginning in) ► | (a) 2005 | (b) 2006 | (c) 2007 | (d) 2008 | (e) 2009 | (f) Total |
|--|----------|----------|----------|----------|----------|-----------|
| 7 Amounts from line 4 | 298,689 | 306,747 | 321,877 | 651,497 | 568,425 | 2,147,235 |
| 8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources | | 399 | 902 | 770 | 22,396 | 24,467 |
| 9 Net income from unrelated business activities, whether or not the business is regularly carried on | | | | | 0 | |
| 10 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.) | | | | | | |
| 11 Total support. Add lines 7 through 10 | | | | | | 2,171,702 |
| 12 Gross receipts from related activities, etc. (see instructions) | | | | | 12 | 1,300,237 |
| 13 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here <input type="checkbox"/> | | | | | | |

Section C. Computation of Public Support Percentage

| | | |
|--|-----------|--------|
| 14 Public support percentage for 2009 (line 6, column (f) divided by line 11, column (f)) | 14 | 96.04% |
| 15 Public support percentage from 2008 Schedule A, Part II, line 14 | 15 | 96.23% |
| 16a 33 1/3 % support test—2009. If the organization did not check the box on line 13, and line 14 is 33 1/3 % or more, check this box and stop here. The organization qualifies as a publicly supported organization <input checked="" type="checkbox"/> | | |
| b 33 1/3 % support test—2008. If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3 % or more, check this box and stop here. The organization qualifies as a publicly supported organization <input type="checkbox"/> | | |
| 17a 10%-facts-and-circumstances test—2009. If the organization did not check a box on line 13, 16a, or 16b, and line 14 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and stop here. Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization <input type="checkbox"/> | | |
| b 10%-facts-and-circumstances test—2008. If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and stop here. Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization <input type="checkbox"/> | | |
| 18 Private foundation. If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions <input type="checkbox"/> | | |

Part III Support Schedule for Organizations Described in Section 509(a)(2)

(Complete only if you checked the box on line 9 of Part I.)

Section A. Public Support

| Calendar year (or fiscal year beginning in) ► | (a) 2005 | (b) 2006 | (c) 2007 | (d) 2008 | (e) 2009 | (f) Total |
|---|----------|----------|----------|----------|----------|-----------|
| 1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants.") | | | | | | |
| 2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose | | | | | | |
| 3 Gross receipts from activities that are not an unrelated trade or business under section 513 | | | | | | |
| 4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf | | | | | | |
| 5 The value of services or facilities furnished by a governmental unit to the organization without charge | | | | | | |
| 6 Total. Add lines 1 through 5 | | | | | | |
| 7a Amounts included on lines 1, 2, and 3 received from disqualified persons | | | | | | |
| b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of \$5,000 or 1% of the amount on line 13 for the year | | | | | | |
| c Add lines 7a and 7b | | | | | | |
| 8 Public support (Subtract line 7c from line 6) | | | | | | |

Section B. Total Support

| Calendar year (or fiscal year beginning in) ► | (a) 2005 | (b) 2006 | (c) 2007 | (d) 2008 | (e) 2009 | (f) Total |
|---|----------|----------|----------|----------|----------|-----------|
| 9 Amounts from line 6 | | | | | | |
| 10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources | | | | | | |
| b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975 | | | | | | |
| c Add lines 10a and 10b | | | | | | |
| 11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on | | | | | | |
| 12 Other income Do not include gain or loss from the sale of capital assets (Explain in Part IV) | | | | | | |
| 13 Total support. (Add lines 9, 10c, 11, and 12) | | | | | | |

14 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here

Section C. Computation of Public Support Percentage

| | | |
|--|-----------|---|
| 15 Public support percentage for 2009 (line 8, column (f) divided by line 13, column (f)) | 15 | % |
| 16 Public support percentage from 2008 Schedule A, Part III, line 15 | 16 | % |

Section D. Computation of Investment Income Percentage

| | | |
|---|-----------|---|
| 17 Investment income percentage for 2009 (line 10c, column (f) divided by line 13, column (f)) | 17 | % |
| 18 Investment income percentage from 2008 Schedule A, Part III, line 17 | 18 | % |

19a 33 1/3 % support tests—2009. If the organization did not check the box on line 14, and line 15 is more than 33 1/3 %, and line 17 is not more than 33 1/3 %, check this box and stop here. The organization qualifies as a publicly supported organization

b 33 1/3 % support tests—2008. If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3 %, and line 18 is not more than 33 1/3 %, check this box and stop here. The organization qualifies as a publicly supported organization

20 Private foundation. If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions

Part IV **Supplemental Information.** Complete this part to provide the explanations required by Part II, line 10; Part II, line 17a or 17b; and Part III, line 12. Provide any other additional information. See instructions.

SCHEDULE D (Form 990)

Department of the Treasury Internal Revenue Service

Supplemental Financial Statements

Complete if the organization answered "Yes," to Form 990, Part IV, line 6, 7, 8, 9, 10, 11, or 12.

Attach to Form 990. See separate instructions.

OMB No 1545-0047

2009

Open to Public Inspection

Name of the organization

The Shepherd's Way, Inc.

Employer identification number

65-0670031

Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts. Complete if the organization answered "Yes" to Form 990, Part IV, line 6.

Table with 2 columns: (a) Donor advised funds, (b) Funds and other accounts. Rows include: 1 Total number at end of year, 2 Aggregate contributions to (during year), 3 Aggregate grants from (during year), 4 Aggregate value at end of year, 5 Did the organization inform all donors...?, 6 Did the organization inform all grantees...?

Part II Conservation Easements. Complete if the organization answered "Yes" to Form 990, Part IV, line 7

Form with multiple sections: 1 Purpose(s) of conservation easements held by the organization, 2 Complete lines 2a through 2d if the organization held a qualified conservation contribution... Table with 2 columns: Held at the End of the Tax Year, rows 2a, 2b, 2c, 2d. 3 Number of conservation easements modified... 4 Number of states where property... 5 Does the organization have a written policy... 6 Staff and volunteer hours... 7 Amount of expenses... 8 Does each conservation easement... 9 In Part XIV, describe how the organization reports...

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets. Complete if the organization answered "Yes" to Form 990, Part IV, line 8.

Form with sections: 1a If the organization elected, as permitted under SFAS 116, not to report... 1b If the organization elected, as permitted under SFAS 116, to report... 2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts... 2a Revenues included... 2b Assets included...

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets (continued)

3 Using the organization's acquisition, accession, and other records, check any of the following that are a significant use of its collection items (check all that apply)

- a Public exhibition
- b Scholarly research
- c Preservation for future generations
- d Loan or exchange programs
- e Other _____

4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIV

5 During the year, did the organization solicit or receive donations of art, historical treasures, or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection? Yes No

Part IV Escrow and Custodial Arrangements. Complete if the organization answered "Yes" to Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

1a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X? Yes No

b If "Yes," explain the arrangement in Part XIV and complete the following table

| | Amount |
|----|--------|
| 1c | |
| 1d | |
| 1e | |
| 1f | |

- c Beginning balance
- d Additions during the year
- e Distributions during the year
- f Ending balance

2a Did the organization include an amount on Form 990, Part X, line 21? Yes No

b If "Yes," explain the arrangement in Part XIV

Part V Endowment Funds. Complete if organization answered "Yes" to Form 990, Part IV, line 10.

| | (a) Current year | (b) Prior year | (c) Two years back | (d) Three years back | (e) Four years back |
|--|------------------|----------------|--------------------|----------------------|---------------------|
| 1a Beginning of year balance | | | | | |
| b Contributions | | | | | |
| c Net investment earnings, gains, and losses | | | | | |
| d Grants or scholarships | | | | | |
| e Other expenditures for facilities and programs | | | | | |
| f Administrative expenses | | | | | |
| g End of year balance | | | | | |

2 Provide the estimated percentage of the year end balance held as

- a Board designated or quasi-endowment ▶ _____ %
- b Permanent endowment ▶ _____ %
- c Term endowment ▶ _____ %

3a Are there endowment funds not in the possession of the organization that are held and administered for the organization by

- (i) unrelated organizations
- (ii) related organizations

| | Yes | No |
|--------|-----|----|
| 3a(i) | | |
| 3a(ii) | | |
| 3b | | |

b If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R?

4 Describe in Part XIV the intended uses of the organization's endowment funds

Part VI Investments—Land, Buildings, and Equipment. See Form 990, Part X, line 10.

| Description of investment | (a) Cost or other basis (investment) | (b) Cost or other basis (other) | (c) Accumulated depreciation | (d) Book value |
|---|--------------------------------------|---------------------------------|------------------------------|----------------|
| 1a Land | | 216,421 | | 216,421 |
| b Buildings | | | | |
| c Leasehold improvements | | | | |
| d Equipment | | | | |
| e Other | | 556,040 | 250,323 | 305,717 |
| Total. Add lines 1a through 1e (Column (d) must equal Form 990, Part X, column (B), line 10(c)) | | | | 522,138 |

Part II Fundraising Events. Complete if the organization answered "Yes" to Form 990, Part IV, line 18, or reported more than \$15,000 on Form 990-EZ, line 6a. List events with gross receipts greater than \$5,000.

| | | (a) Event #1 | (b) Event #2 | (c) Other events | (d) Total events |
|-----------------|--|--|----------------------------------|-------------------------------|-------------------------------|
| | | <u>Feast of Blessi</u> (event type) | <u>All Other</u> (event type) | <u>None</u> (total number) | (add col (a) through col (c)) |
| Revenue | 1 | Gross receipts | 13,559 | 6,550 | 20,109 |
| | 2 | Less Charitable contributions | 10,169 | 3,930 | 14,099 |
| | 3 | Gross revenue (line 1 minus line 2) | 3,390 | 2,620 | 6,010 |
| Direct Expenses | 4 | Cash prizes | | | |
| | 5 | Noncash prizes | | | |
| | 6 | Rent/facility costs | | | |
| | 7 | Food and beverages | | | |
| | 8 | Entertainment | | | |
| | 9 | Other direct expenses | 2,982 | 2,296 | 5,278 |
| | 10 | Direct expense summary Add lines 4 through 9 in column (d) | | | |
| 11 | Net income summary Combine line 3, column (d), and line 10 | | | | 732 |

Part III Gaming. Complete if the organization answered "Yes" to Form 990, Part IV, line 19, or reported more than \$15,000 on Form 990-EZ, line 6a.

| | | (a) Bingo | (b) Pull tabs/instant bingo/progressive bingo | (c) Other gaming | (d) Total gaming (Add col (a) through col (c)) |
|-----------------|--|-----------------------|---|---|---|
| | | 1 | Gross revenue | | |
| Direct Expenses | 2 | Cash prizes | | | |
| | 3 | Noncash prizes | | | |
| | 4 | Rent/facility costs | | | |
| | 5 | Other direct expenses | | | |
| | 6 | Volunteer labor | <input type="checkbox"/> Yes % <input type="checkbox"/> No | <input type="checkbox"/> Yes % <input type="checkbox"/> No | <input type="checkbox"/> Yes % <input type="checkbox"/> No |
| 7 | Direct expense summary Add lines 2 through 5 in column (d) | | | | |
| 8 | Net gaming income summary Combine line 1, column d, and line 7 | | | | |

9 Enter the state(s) in which the organization operates gaming activities
 a Is the organization licensed to operate gaming activities in each of these states?
 b If "No," Explain

10a Were any of the organization's gaming licenses revoked, suspended or terminated during the tax year?
 b If "Yes," Explain

11 Does the organization operate gaming activities with nonmembers?

12 Is the organization a grantor, beneficiary or trustee of a trust or a member of a partnership or other entity formed to administer charitable gaming?

| | Yes | No |
|-----|-----|----|
| 9a | | |
| 10a | | |
| 11 | | |
| 12 | | |

13 Indicate the percentage of gaming activity operated in

a The organization's facility

b An outside facility

| | |
|------------|---|
| 13a | % |
| 13b | % |

| Yes | No |
|-----|----|
|-----|----|

14 Provide the name and address of the person who prepares the organization's gaming/special events books and records

Name ▶

Address ▶

15a Does the organization have a contract with a third party from whom the organization receives gaming revenue?

b If "Yes," enter the amount of gaming revenue received by the organization ▶ \$ and the amount of gaming revenue retained by the third party ▶ \$

c If "Yes," enter name and address of the third party

Name ▶

Address ▶

15a

16 Gaming manager information

Name ▶

Gaming manager compensation ▶ \$

Description of services provided ▶

Director/officer Employee Independent contractor

17 Mandatory distributions

a Is the organization required under state law to make charitable distributions from the gaming proceeds to retain the state gaming license?

b Enter the amount of distributions required under state law distributed to other exempt organizations or spent in the organization's own exempt activities during the tax year ▶ \$

17a

SCHEDULE O
(Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990

Complete to provide information for responses to specific questions on
Form 990 or to provide any additional information.
▶ Attach to Form 990.

OMB No 1545-0047

2009
Open to Public
Inspection

Name of the organization

The Shepherd's Way, Inc.

Employer identification number

65-0670031

Form 990, Part III, Line 2

"Hope Central: A one stop center with services on site for families facing housing/ economic crisis. Services include food, daycare, crisis pregnancy counseling, budgeting, afterschool, and housing case management. (20-30 fam. wkly)

"A+ces: Afterschool | Art | Academics Collaboration for Educational Success: A partnership with The Shepherd's Way, Broward County Schools and Young-at-Art Children's Museum, Aces provides homeless children residing in area shelters with access to a comprehensive after school program. Students receive snacks, tutoring, art/art appreciation from certified instructors at Hope Central as well as extra-curricular activities. The benefits include learning, improved health, increased exposure to career choices, enhanced social and psychological development. (30-40 children daily)

"Crisis Pregnancy Support: TSW provides free counseling, pregnancy testing, and case management for women who suspect or are experiencing unplanned pregnancies. TSW specializes in assisting homeless women and their families with the support necessary to ensure positive birth experiences. (10-20 fam. mthly)

"Community Case Management: TSW provides case management support for families residing in subsidized housing throughout Broward County. Case Management provides the support necessary to maintain stable housing and

Name of the organization

The Shepherd's Way, Inc.

Employer identification number

65-0670031

transition into independent living. We partner with faith-based/community-based organizations that provide affordable housing/rental subsidies. (50-75 families yearly)

Form 990, Part VI, Line 4 - Significant Changes to Organizational Documents
See Attached for Updated Copy of By-Laws

Form 990, Part VI, Line 11A - Organization's Process to Review Form 990
All board members review Form 990 at board meeting and an electronic version is also sent for review before we file.

Form 990, Part VI, Line 12c - Enforcement of Conflicts Policy
Policy is reviewed and discussed by Board members and employees at meetings and any possible conflicts that arise are required to be disclosed.

Form 990, Part VI, Line 15a - Compensation Process for Top Official
The Executive Director's compensation is thoroughly reviewed by the board on an annual basis.

Form 990, Part VI, Line 19 - Governing Documents Disclosure Explanation
Made available upon request.

Depreciation and Amortization
 (Including Information on Listed Property)

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

Name(s) shown on return The Shepherd's Way, Inc. Identifying number 65-0670031

Business or activity to which this form relates
Indirect Depreciation

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 instructions) | 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 instr)

| | | | |
|----|---|----|-------|
| 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 | 6,864 |

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 | 0 |
| 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 <input type="checkbox"/> | | |

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 | |
| | | | 27 5 yrs | MM | S/L | |
| i Nonresidential real property | | | 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 | 6,864 |
| 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 | |

For Paperwork Reduction Act Notice, see separate instructions.



THE SHEPHERD'S WAY

Transforming Lives ■ Transforming Churches

BY-LAWS

The Shepherd's Way, Inc.
A Christian Ministry
A Florida Corporation Not For Profit

ARTICLE I

Purposes, Definitions, and Powers

1.1 Name.

The name of this corporation shall be THE SHEPHERD'S WAY, INC., hereinafter referred to "TSW".

Statement of Purpose.

TSW shall be a Christian ministry that is a corporation not for profit organized exclusively for charitable, educational and cultural purpose within the meaning of Section 501 (c) (3) of the Internal Revenue Code of 1986, as amended (the "Code").

Without in any way limiting the foregoing general purposes, the specific purposes of the Corporation shall be:

- (a) TSW's Vision: *Transformed Churches working together to transform lives.*
- (b) TSW's Mission: *Providing hope for homeless and hurting families through services and partnerships with the Christian community.*
- (c) Our goal is to bring about transformation in the lives of homeless and hurting families through the provision of housing solutions and family services; and to serve as a guiding partner in transforming, educating, and bringing the Christian community into relationship with families served.
- (d) To provide shelter, comprehensive family support services, faith-based activities, community linkages, advocacy, and leadership for homeless and hurting families and their children thereby helping parents end the cycle of homelessness for their children.
- (e) In general, to carry on any other lawful matters whatsoever in connection with the foregoing or which is calculated, directly or indirectly, to promote the interests of the Corporation.

1.2 Definitions.

The terms set forth below shall have the following meanings unless otherwise required by the context in which they may be used.

- (a) Articles of Incorporation. The term "Articles of Incorporation" shall mean the Articles of Incorporation of the Corporation filed with the Department of State on the may 18, 1996 and any amendments thereto.
- (b) Board. The term "Board" shall mean the Board of Directors of the Corporation.
- (c) By-laws. The term "By-Laws" shall mean these by-laws except where reference is specifically made to the by-laws of another entity or unit.
- (d) Director. The term "Director" shall mean an individual who is a member of the Board of Directors of the Corporation.
- (e) Corporation. The term "Corporation" shall mean The Shepherd's Way, Inc., a Florida corporation not-for-profit.
- (f) Majority. The term "Majority" shall mean in excess of 50 percent of the application total.
- (g) Officer. The term "Officer" shall mean one or more of the positions as described in Section 7.
- (h) President. The term "President" shall mean the President of the Corporation as set forth in Section 6.5.1
- (i) State. The term "State" shall mean the State of Florida.

1.3 Powers of the Corporation.

Except as limited by the Articles of Incorporation and these By-laws, TSW shall have and exercise all rights and powers in furtherance of its purposes as are now or may hereafter be conferred on not-for-profit corporations pursuant to Chapter 617, Florida Statutes, as amended, and any other applicable laws.

1.4 Limitations on Activities.

- (a) No part of the net earnings of TSW shall inure to the benefit of, or be distributed to any Director or Officer of TSW or any other individual (except that reasonable compensation may be paid for services rendered to or for TSW effecting one or more of its purposes), and no Director or Officer of TSW, or any individual, shall be entitled to share in the distribution of any of the corporate assets on dissolution of TSW.
- (b) TSW shall not, as a substantial part of its activities, carry on propaganda, lobby, or otherwise attempt to influence legislation. TSW shall not participate in any political campaign.
- (c) Notwithstanding any other provision of the Articles of Incorporation or by-laws, TSW shall not conduct or carry on any activities not permitted to be conducted or carried on by an organization exempt from taxation under Section 501 (c)(3) of the Code or by an organization's contributions which are deductible by the donor under Section 170 (c) (2) of the Code.
- (f) TSW shall not invest or conduct any other activities, including, without limitation, accepting contributions of such type or amount from any person, which could cause the Corporation to become a "private foundation", as such term is defined in Section 509 of the Code

**ARTICLE II
Offices and Registered Agent**

TSW shall have and continuously maintain in the State a registered office and registered agent (whose office shall be identical with such registered office). The principal office of the TSW will be located in Broward County, Florida.

**ARTICLE III
Board of Directors**

3.1 General Powers.

All of the business and affairs of TSW shall be managed by the Board in a manner consistent with the Articles, these by-laws and other applicable law. The Board shall make appropriate delegations of authority to the Officers and, to the extent permitted by law, the Board may authorize one or more Board Committees established pursuant to Section 4, to act on its behalf when the Board is not in session.

3.2 Number and Election of Directors.

The Board of Directors shall consist of no less than ten and no more than eighteen. The exact number of members shall be established from time to time by the Board of Directors. All Directors shall be elected by the Board of Directors. The President, Secretary and Treasurer of TSW shall serve as Directors. The President of TSW shall contemporaneously be Chairman of the Board of Directors, and the Secretary of the Corporation shall contemporaneously be Secretary of the Board of Directors.

3.3 Tenure of Directors.

Directors shall normally take and hold office for a period of four years from the date of their election at an annual meeting. Directors elected at a meeting other than an annual meeting shall serve a short-term from the date of election to the date of the subsequent annual meeting. Term of office may be extended if recommended to the Board by the Membership and Board Development subcommittee.

3.4 Representation of Directors.

The Board shall include the following areas of expertise: Program / Homeless Advocates; Marketing / PR; Business / Finance; Legal / CPA; Funding / Donors; Pastors; and/or TSW Program graduate. No one Director may represent more than one area of expertise at any given time

3.5 Regular Meetings.

The Board shall hold a minimum of ten regular meetings per year, the frequency of which is consistent with the needs of TSW. The Board may by resolution prescribe the time and place for the holding of the regular meetings and may provide that the adoption of such resolution shall constitute notice of such regular meeting. If the Board does not prescribe the time and place for the holding of regular meetings, such regular meetings shall be held at the time and place specified by the President in the notice of such regular meeting. The final regular Board meeting of the calendar year, shall be considered the Annual Meeting of the Board for the purpose of electing Directors, electing officers, and for the transaction of such other business as may come before the meeting.

3.6 Special Meetings.

Special meetings of the Board and Executive Committee may be called by or at the direction of the President or the written request of one-third of the Directors, such meetings to be held at such time and place as shall be designated in the notice thereof.

3.7 Notice.

Except as otherwise provided herein, notice of the time and place of any meeting of the Board shall be in writing and mailed or electronically delivered at least seven days prior thereto. In case of a special meeting, a written notice, including the general nature of the business to be considered, shall be given and shall be mailed or electronically delivered at least five days prior thereto. If agreed to in writing by a majority of Directors, a special meeting of the Board may be held after notice by telephone or word of mouth to each member at least two days before the meeting. Any Director may waive notice of any meeting. The attendance of a Director at any meeting shall constitute a waiver of notice of such meeting, except where a Director attends a meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of any regular or special meeting of the Board, need be specified in the waiver of notice of such meeting.

3.8 Quorum.

The presence of a quorum is required for the transaction of business. A quorum at a regular Board meeting shall consist of not less than one-third of the Board membership and at a special meeting shall consist of not less than one-half of the Board membership. A majority of the quorum shall be required for approval of an action or choice except as otherwise provided by the law, the Articles of Incorporation or these bylaws. Attendance shall be either in person or by telephone connection whereby the distant member(s) and those members present in person all hear and may speak to and be heard on the matters raised therein. If fewer than one third of the Directors are present at such meeting, a majority of the Directors present may adjourn the meeting from time to time without further notice, until a quorum shall be present.

3.9 Manner of Acting.

3.9.1 Formal Action by Board.

The act of one-third of the Directors present at a meeting at which a quorum is present shall be the act of the Board, unless the act of a greater number is required by statute, the Articles of Incorporation or these by-laws.

3.9.2 Informal Action of the Board.

No action of the Board shall be valid unless taken at a meeting at which a quorum is present, except that any action which may be taken at a meeting of the Board may be taken without a meeting if a consent in writing (setting forth the action so taken) shall be signed by all Directors.

3.10 Telephonic Meetings.

Any meeting of the Directors, including annual meetings, may be held telephonically.

3.11 Resignation, Removal, and Expiration.

Any Director may resign from the Board at any time by giving written notice to the President or the Secretary and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective. Any Director may be removed from office at any time with or without cause by a majority vote of the Board of Directors, provided a ten-day written notice of intended action is given to that Director. Any Director missing three regular meetings of the Board during a calendar year shall be considered to have submitted a formal resignation.

Exceptions may be made upon written request to remain on the Board by the affected Director to the Executive Committee. Not less than 30 days prior to the Annual Meeting, the Membership and Board Development Committee shall present to the Board a slate of Director candidates to fill upcoming vacancies. These candidates will be voted upon during the Annual Meeting.

3.12 Proxies Prohibited.

A Director may not vote by proxy.

3.13 Compensation.

Directors, as such, shall not receive any stated salaries of their services, but by resolution of the Board a reasonable amount may be allowed as reimbursement of expenses incurred in attending to their authorized duties, provided, however, that subject to the provisions herein concerning self dealing, nothing herein contained shall be construed to preclude any Director from serving TSW in any other capacity and receiving compensation therefore.

3.14 Prohibition on Self-sufficiency.

No Director shall exercise any of the powers granted to them herein with regard to actions that may directly or indirectly provide financial benefit to that Director.

3.15 Procedure.

The board may adopt its own rules of procedure which shall not be inconsistent with the Articles of Incorporation, these by-laws or applicable law. In the absence of the Board adopting its own special rules of procedure as provided for herein, the Board will conduct its affairs in a manner which is fair and equitable to all Directors.

ARTICLE IV Committees

4.1 Designation.

The Board of Directors may, from time to time, designate committees for TSW.

4.2 Functions.

Except with respect to an Executive Committee or where a committee is specially delegated authority to act when the Board is not in session, committees shall serve in an advisory capacity to the Board regarding those aspects of the business and affairs of TSW to which they have been delegated responsibility.

4.3 Duties of Committees.

The duties of each committee may be as follows:

4.3.1 Executive Committee.

An Executive Committee is designated to have and exercise, when the Board is not in session and prudent management requires prompt action, all of the authority of the Board in the management of TSW, except as such authority is limited by resolution of the Board. All Executive Committee actions shall be subject to the review and ratification of the Board at the next meeting of the Board of Directors. The Executive Committee shall be composed of the President, Secretary, Treasurer, and two members of the Board (one will be the Ministry Founder until such time as he chooses to step down), who are not committee chairs, to be elected at large by the majority of the Board. The Executive Committee shall constitute a quorum for the transaction of business.

4.3.2 Membership and Board Development Committee.

The Executive Committee and Executive Director (ex officio) shall appoint a Membership and Board Development Committee consisting of three Board members. The Chairperson of the Committee shall be appointed by the President from the non-officer members of the Board. This committee shall be responsible for:

- a. Recommending experienced, church-going, community-involved board members to the Executive Committee
- b. Providing periodic training to board members to help them understand issues surrounding homelessness and to equip them to do their jobs more effectively

c. Maintaining and updating Board Manuals

4.3.3 Agency Action Initiatives.

The Christian Alliance, HOPE Central, and Housing Creations are the identified initiatives of TSW. Each Board member shall identify one of these initiatives on which to serve, provide expertise, leadership and act as a liaison to the full Board of Directors. Agency Action Initiatives shall also be comprised of church and community partners, individuals involved in homeless families, advocacy, and with passion and genuine interest in TSW.

4.3.4 Servants of Shepherd's Way Advisory Board.

- a. The Servants of Shepherd's Way shall include former Board members and other individuals interested in aligning themselves with TSW but unable to commit to attending ten Board meetings per year. The Board shall nominate and approve members of Servants of Shepherd's Way.
- b. Servants of Shepherd's Way Advisory Board shall function in an advisory capacity, reviewing monthly Board of Director meeting material, publications/literature and meeting as needed to learn about the current state of TSW's ministry.

4.3.5 Additional Committees.

Additional committees that are designated by the Board of Directors pursuant hereto shall discharge such responsibility as may be assigned to them by the authority establishing such committees.

4.4 Powers.

A committee shall have and may exercise all the authority granted to it by the Board, except that no committee shall have the authority to:

- (a) approve any actions or proposals required by law or the Articles of Incorporation to be approved by the Board;
- (b) fill vacancies in the membership of the Board or any committee;
- (c) adopt, amend, or repeal these by-laws;
- (d) amend or repeal any resolution of the Board, or
- (e) act on matters delegated by the Articles of Incorporation, by-laws or resolution of the Board to said Board or to another committee.

4.5 Appointment of Committee Members.

As committees are deemed necessary or appropriate, the Chairman shall appoint a committee chairman, who may or may not be a Director; and the following shall apply:

- (a) Committee Chairmen may appoint additional members which additional members must be approved by the by the President.
- (b) The appointments to any committee that is delegated authority to act on behalf of TSW, including, but not limited to, the Executive Committee, shall be chosen by the Board from among the Directors; and, The Executive Committee shall be composed of the President, Secretary, Treasurer, and two members of the Board (one will be the Ministry Founder until such time as he chooses to step down).

4.6 Tenure of Committee Members.

The members and chairman of each committee shall take office on the day of their appointment and hold office for two years. Term extensions may be recommended by the Board by the Membership and Board Development Committee. An officer may serve successive terms upon approval by the Board membership at the Annual Meeting. Terms will expire at the subsequent annual meeting of the Board and successors shall have been appointed or until the earlier of their resignation, removal from office, or death, or until the committee has been dissolved. The Ministry Founder, Fred Scarbrough, shall be a permanent Officer of the Board and Executive Committee Member until such time as he chooses to step down.

4.7 Resignation of Committee Members.

Any committee member may resign there from by providing written notification of such resignation to the President or Secretary, and any such resignation shall become effective immediately upon receipt of said written notification or at such later day as may be specified in the notification.

4.8 Removal of Committee Members.

Any committee member may be removed from office at any time, with or without cause, by the Board of Directors or the President. However, any member of any committee delegated authority to act on behalf of TSW, including, but not limited to, the Executive Committee may be removed only by the Board of Directors.

4.9 Vacancies.

Any vacancy occurring in the membership of a committee and any membership thereon to be filled by reason of increase in the number of members of the committee shall be filled, provided, however, that any vacancy occurring in the membership of any committee delegated the authority to act on behalf of TSW, including, but not limited to, the Executive Committee, shall be filled only by the Board of Directors from among their number.

4.10 Compensation.

Committee members shall not receive any stated salaries for their services, but a reasonable amount may be allowed for reimbursement of expenses incurred in attending to their authorized duties, including, but not limited by this Section, nothing herein contained shall be construed to preclude any committee member from serving TSW in any other capacity and receiving compensation therefore.

ARTICLE V Committee Meetings

5.1 Meetings. Meetings of any committee may be called at any time by:

- (a) the chairman of the committee;
- (b) any two committee members; or
- (c) the Chairman of the Board

5.2 Place of Meetings.

Committee meetings shall be held at the principal place of business of TSW or at such other place as the chairman of the committee may from time to time designate.

5.3 Notice of Meetings.

Written, printed, electronically, or oral notice stating the place, day and hour of any meeting of a committee must be given to each committee member not less than three, or more than thirty days before the committee meeting, by or at the direction of the person or persons calling the meeting. Notice must be given either personally or by telephone, electronically, or first class mail; and if mailed, the notice will be deemed to be given when deposited in the U.S. Mail addressed to the committee member at his address, as it appears in the records of TSW, with postage thereon prepaid. Except as otherwise specified in these by-laws, the notice need not specify the business to be transacted at, or the purpose of any meeting.

5.4 Telephonic Meetings.

Any committee meeting may be held telephonically or electronically.

ARTICLE VI Officers

6.1 Officers.

The officers of the Corporation shall be a President, a Secretary, a Treasurer, and a Ministry Founder. The President of the Corporation shall contemporaneously be Chairman of the Board of Directors, and the Secretary of the Corporation shall contemporaneously be Secretary of the Board of Directors.

The Corporation may, at the discretion of the Board of Directors, provide for different categories of officers, and may have additional officers. Any two offices may be held by the same person. The duties of certain offices are set forth herein. When the incumbent of an office is unable to perform the duties thereof or when there is no incumbent of an office (both such situations referred to thereafter as the "absence" of the officer), the duties of the office shall, unless otherwise provided by the Board or these by-laws, be performed by the next officer set forth in the following sequence: President, Ministry Founder, Secretary and Treasurer.

6.2 Nominations and Elections.

All officers (with the exception of Ministry Founder) shall be elected every two years by the Board at its annual meeting for terms of two years, or until their successors have been duly elected and qualified, or until their death, resignation or removal. Officers elected at a meeting other than an annual meeting shall serve a short-term from the date of election to the date of the subsequent annual meeting.

6.3 Resignation and Removal.

Any officer may resign at any time by giving written notice to the President, or to the Secretary, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective. Any officer may be removed by the Board of Directors whenever in its judgment the best interests of the Corporation would be served thereby.

6.4 Vacancies.

A vacancy in any office may be filled by the Board of Directors for the unexpired portion of the term.

6.5 Duties of the Officers.

6.5.1 President.

The President shall be the principal Executive Officer of the Corporation, the chairman of the Board of Directors and, subject to the Board, he shall in general supervise and manage all the business and affairs of TSW. The President shall, when present, preside at all meetings of the Board, appoint ad hoc committee chairs. The President shall perform all duties incident to the office of president and such other duties as may be prescribed by the Board of Directors from time to time.

6.5.2 Ministry Founder.

The Ministry Founder, Fred Scarbrough, shall provide visionary leadership for the Board. He shall inform the Board of opportunities to better serve the homeless and collaborate with community activities toward this end.

In the event of the death of the President or refusal or inability to act, the Ministry Founder shall perform the duties of the President, and when so acting, shall have all the powers and be subject to all restrictions upon the President.

6.5.3 Secretary.

The Secretary shall keep full and accurate recordings/minutes of all meetings of the Board of Directors; see that notices are duly given in accordance with these by-laws; keep a register of names and addresses of all Board members; keep and maintain the official records of TSW; and in general perform all duties incident to the office of Secretary, and such other duties as may from time to time be assigned to him by the President or by the Board of Directors.

6.5.4 Treasurer.

The Treasurer shall have charge and custody and be responsible for all funds and securities of the Corporation; shall have charge and custody and be responsible for all financial records; receive and give receipts for monies due and payable to TSW from any source whatsoever, and deposit all monies in the name of TSW in such banks and depositories as shall be selected by the Board of Directors and in general perform all duties incident to the Office of Treasurer, as such other duties as may from time to time be assigned to him by the President or by the Board. The Treasurer may delegate functional authority to one or more staff or volunteers to actually receive and deposit funds, maintain and store financial records, issue receipts and disburse funds with any limitations established by the Board of Directors.

6.5.5 Compensation.

Officers may not receive financial compensation for their services. Officers, as such, shall not receive any stated salaries for their services, but by resolution of the Board a reasonable amount may be allowed as reimbursement of expenses incurred in attending to their authorized duties; provided, however, that subject to the provisions herein concerning self dealing, nothing herein contained shall be construed to preclude any Officer from serving the Corporation in any other capacity and receiving compensation therefore.

6.6 Bonds of Officers.

The Board may secure the fidelity of any or all of such officers by bond or otherwise, in such terms and with such surety or sureties, conditions, penalties or securities as shall be required by the Board. The premiums for such bond or bonds shall be paid out of the corporate funds of TSW.

6.7 Delegation.

The Board may delegate temporarily the powers and duties of any officer, in case of such officer's absence or for any other reason, to any other officer, and may authorize the delegation by any officer of such officer's powers and duties to any agent or employee subject to the general supervision of such officer.

ARTICLE VII
Finances

7.1 Fiscal Year.

The fiscal year of TSW shall end on December 31, and methods of accounting for TSW shall be as the Board shall determine from time to time by resolution of the Board.

7.2 Annual Budget.

7.2.1 The Annual Budget for the ensuing calendar year will be submitted by the President to the Board of Directors for approval on or before the Annual Meeting. The budget shall include estimated income by source and proposed expenditures by category. The budget shall be arranged to show comparisons for actual income and expenditures for the current fiscal year and the estimated income and expenditures for the budget year.

7.2.3 The President shall not authorize expenditure of TSW funds not authorized by the budget. The Board or the Executive Committee may amend the budget from time to time as appropriate to serve TSW's purposes.

7.3 Annual Audit.

The Board shall provide for an annual audit of all TSW accounts and may provide for more frequent audits as deemed necessary. Annual audits shall be conducted by a certified public accountant or firm of such accountants who have no personal interest, direct or indirect, in TSW's financial affairs.

7.2 Checks, Drafts, etc.

All checks, drafts or other orders for the payment of money, and all notes or other evidences of indebtedness issued in the name of TSW shall be signed by such officer or officers, agent or agents of the Corporation and in such manner as shall from time to time be determined by resolution of the Board. In the absence of such determination by the Board, such instruments shall be signed by either the Treasurer or the President. From time to time, the Board shall establish an expenditure amount in excess of which Board approval is required. Any instrument for an amount in excess of the limit so established must be approved by the Board.

7.3 Deposits.

All funds of TSW shall be deposited from time to time to the credit of TSW in one or more banks, trust companies, securities firms, or other depositories as the Board may from time to time designate, upon such terms and conditions as shall be fixed by the Board. The Board may, from time to time, authorize the opening and keeping with any such depository as it may designate, of general and special bank accounts or other forms of account and may make such special rules and regulations with respect thereto, not inconsistent with the provisions of these by-laws, as it may deem necessary.

7.4 Gifts.

The Board may accept on behalf of TSW any contributions, gifts, bequests, or devises for and consistent with the general purposes, or for and consistent with any specific purposes, of TSW.

7.5 Books and records.

TSW shall keep correct and complete books and records of account and shall also keep records of the actions of TSW, which records shall be open to inspection by Directors at any reasonable time.

7.6 Dues.

There shall be no dues payable by TSW Board or committee members or by persons volunteering their time toward achieving TSW's purposes.

ARTICLE VIII. Miscellaneous

- 8.1 Contracts.
The Board may authorize any officer or agent of TSW in addition to the officers so authorized by these by-laws, to enter into any contract or execute any instrument in the name of and on behalf of TSW, and such authority may be general or confined to specific instances.
- 8.2 Annual Report.
The President shall cause an Annual Report to be submitted to the Board no later than 120 days after the close of each fiscal year of TSW.
- 8.3 Seal.
The corporate seal of TSW shall be circular in form with the words "The Shepherd's Way, Inc., a Corporation Not For Profit" in the outer edge thereof.
- 8.4 Notice.
- 8.4.1 Effective Date.
Unless otherwise specified herein, any notice required or permitted to be given pursuant to the provisions of the Articles of Incorporation, these by-laws, or applicable law, shall be in writing, shall be sufficient and effective as of the date personally delivered or, if sent by mail, on the date deposited with the U.S. Postal Service, prepaid and addressed to the intended receiver at such receiver's last known address as shown in the records of the Corporation, or if electronically delivered to the intended receiver at the receiver's last known electronic delivery address.
- 8.4.2 Waiver of Notice.
Whenever any notice is required to be given under the provisions of the Florida General Corporation Act, Chapter 607, Florida Statutes, as amended, or the Florida Not-for-Profit Corporation Act, Chapter 617, Florida Statutes, as amended, or under the provisions of the Articles of Incorporation, these by-laws, or other applicable law, a waiver thereof in writing signed by the persons entitled to such notice, whether before or after the time stated therein, shall be equivalent to the giving of such notice. The attendance of a member at any meeting shall constitute a waiver of notice of such meeting, except where a member attends a meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting is not lawfully called or convened.
- 8.5 Loans to Directors and Officers Prohibited.
No loans shall be made by TSW to directors or officers.
- 8.6 Indemnification of Directors, Officers, and Others.
- (a) TSW shall defend and indemnify any Director or Officer made a party or threatened to be made a party to any threatened, pending or completed action, suit or proceeding:
- (i) Whether civil, criminal, administrative, or investigative, other than an action, suit or proceeding by or in the right of TSW, by reason of the fact that such person is or was a Director of Officer of TSW or is or was serving as a director, officer, employee or agent of any other corporation, partnership, joint venture, trust or other enterprise at the request of TSW, against judgment, fines, amounts paid in settlement and expenses, including attorney's fees, actually and reasonably incurred as a result of such action, suit or proceeding or any appeal thereof, if such person acted in good faith and in a manner such person reasonably believed to be in, or not opposed to, the best interest of TSW, and in criminal actions or proceedings, without reasonable cause for belief that such conduct was unlawful. The termination of any such action, suit or proceeding by judgment, order, settlement, conviction or upon a plea of nolo contendere or its equivalent shall not in itself create a presumption that any such Director or Officer did not act in good faith and in a manner which such person reasonable believed to be in, or not opposed to, the best interests of TSW or,

with respect to any criminal action or proceeding, that he had reasonable cause to believe that such conduct was unlawful.

- (ii) By or in the right of TSW to procure a judgment in its favor by reason of such person's being or having been a Director or Officer of TSW, or by reason of such person's serving or having served at the request of TSW as a director, officer, employee or agent of any other corporation, partnership, joint venture, trust or other enterprise, against any expenses, including attorneys' fees, actually and reasonable incurred by him in connection with the defense of settlement of such action, or in connection with an appeal therein, if such person acted in good faith and in a manner such person reasonably believed to be in, or not opposed to, the best interests of TSW.

Such person shall not be entitled to indemnification in relation to matters as to which such person had been adjudged to be liable for negligence or misconduct in the performance of his duties to TSW unless, and only to the extent that, the court in which such action or suit as brought shall determine upon application that, despite the adjudication of liability, but in view of all circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which such court shall deem proper.

- (b) Any indemnification under paragraph (a), unless pursuant to a determination by a court, shall be made by TSW only as authorized in the specific case upon a determination that amounts for which a Director or Officer seeks indemnification were properly incurred and that such Director or Officer acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interest of TSW, and that, with respect to any criminal action or proceeding, he had no reasonable ground for belief that such action was unlawful. Such determination shall be made either (1) by the Board of Directors by a majority vote of a quorum consisting of Voting Members who were not parties to such action, suit or proceedings.
- (c) The foregoing rights of indemnification shall not be deemed to limit in any way the power of TSW to indemnify under any applicable law.

8.7 Revocability of Authorizations.

No authorization, assignment, referral or delegation of authority by the Board to any committee, officer, agent, or other official of TSW, or any other organization which is associated or affiliated with, or conducted under the auspices of TSW shall preclude the Board from exercising the authority required to meet its responsibility. The Board shall retain the right to rescind any such authorization, assignment, referral, delegation in its sole discretion.

8.8 Employees of TSW.

The Board of Directors shall employ an Executive Director to oversee the daily operations and actions deemed necessary to fulfill the vision, mission, and goals of TSW as stated herein and directed by the Board. No employee may serve as a Director.

8.9 Rules.

The Board may adopt, amend, or repeal rules (not inconsistent with these by-laws) for the management of the internal affairs of TSW and the governance of its officers, agents, committees and employees.

8.10 Voting of Shares Owned by the Corporation.

Unless otherwise ordered by the Board, either the President, Lay Minister/Ministry Founder, the Secretary, or the Treasurer shall have full power and authority on behalf of TSW to attend, to vote and to grant proxies to be used at any meeting of shareholders of any corporation or otherwise exercise rights of any entity in which TSW may hold stock or otherwise be a member. Only one officer at a time may exercise such power and authority, and it shall be the officer holding the highest level of office. The Board may confer like powers upon any other person or persons.

8.11 Voting by Presiding Officer.

The person acting as presiding officer at any meeting held pursuant to these by-laws shall, if a voting member thereof, be entitled to vote on the same basis as if not acting as presiding officer.

8.12 Gender and Number.

Whenever the context requires, the gender of all words used herein shall include the masculine, feminine and neuter, and the number of all words shall include the singular and plural thereof.

8.13 Sections and Other Headings.

The section and other headings contained in these by-laws are for reference purposes only and shall not affect the meaning or interpretation of these by-laws

**ARTICLE IX
Amendments to By-laws**

The power to make, alter, amend, or repeal the by-laws shall be vested solely in the Board of Directors; provided, however, that the text of any proposal to alter, amend, or repeal the by-laws must be given to all directors with the notice of the meeting at which the proposal is to be considered. Any votes to make, alter, amend, or repeal must be carried by a two-thirds majority of elected Board members.

**ARTICLE X
Dissolution**

TSW shall be dissolved upon the vote of two-thirds of TSW's Board of Directors voting at an annual or special meeting. Upon the dissolution of TSW, the Board shall, after paying or making provisions for the payment of all of the liabilities of TSW, distribute all residual assets of TSW to TSW's partners in ministry to homeless families that are organized and operated exclusively for charitable, education, religious or scientific purposes which, at the time of such disposition, qualify as an exempt organization or organizations under Sections 501 (c)(3) and 170 (c)(2) of the Code or to the government of the United States, the State or any city or county within the State exclusively for public purposes. Any assets not so distributed shall be distributed by a court of competent jurisdiction exclusively for the aforementioned purposes, or to such organization or organizations organized and operated exclusively for the aforementioned purposes.

CERTIFICATE

Certified as being true and correct By-Laws of the Corporation, The Shepherd's Way, Inc. as duly adopted by the Board of Directors on ___ November 19th 2009.

Kim Saiswick
Secretary

Witness (Print Name and signature)

Witness (Print Name and signature)

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Certified as being true and correct By-Laws of the Corporation, The Shepherd's Way, Inc. as duly adopted by the Board of Directors on November 19th 2009.

Kern Salswick
Kern Salswick
Secretary
[Signature]
Witness (Print Name and signature)

Batia Fisherman
Batia Fisherman
Witness (Print Name and signature)