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Form 990

Department of the Treasury
Internal Revenue Service

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)

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

OMB No 1545-0047

2006

Open to Public Inspection

A For the 2007 calendar year, or tax year beginning 07-01-2007 and ending 06-30-2008

B Check if applicable

☐ Address change

☐ Name change

☐ Initial return

☐ Final return

☐ Amended return

☐ Application pending

Please use IRS label or print or type. See Specific Instructions.

C Name of organization

SHEPHERDS THEOLOGICAL SEMINARY INC

Number and street (or P O box if mail is not delivered to street address)

Room/suite

6051 TRYON ROAD

City or town, state or country, and ZIP + 4

CARY, NC 27518

D Employer identification number

20-0180768

E Telephone number

(919) 573-5350

F Accounting method ☐ Cash ☒ Accrual ☐ Other (specify)

Section 501(c)(3) organizations and 4947(a)(1) nonexempt charitable trusts must attach a completed Schedule A (Form 990 or 990-EZ).

G Web site:

SHEPHERdSsEMINARY ORG

J Organization type (check only one) ☒

501(c) (3)

☐ (insert no) ☐ 4947(a)(1) or ☐ 527

K Check here ☐ if the organization is not a 509(a)(3) supporting organization **and** its gross receipts are normally **not** more than 25,000 A return is not required, but if the organization chooses to file a return, be sure to file a complete return

L Gross receipts Add lines 6b, 8b, 9b, and 10b to line 12

762,430

H and I are not applicable to section 527 organizations

H(a) Is this a group return for affiliates? ☐ Yes ☒ No

H(b) If "Yes" enter number of affiliates

H(c) Are all affiliates included? ☐ Yes ☐ No (If "No," attach a list See instructions)

H(d) Is this a separate return filed by an organization covered by a group ruling? ☐ Yes ☒ No

I Group Exemption Number

M Check ☐ if the organization is **not** required to attach Sch B (Form 990, 990-EZ, or 990-PF)

Part I Revenue, Expenses, and Changes in Net Assets or Fund Balances (See the instructions.)												
Revenue	1	Contributions, gifts, grants, and similar amounts received										
	a	Contributions to donor advised funds				1a						
	b	Direct public support (not included on line 1a)				1b	584,450					
	c	Indirect public support (not included on line 1a)				1c	86,535					
	d	Government contributions (grants) (not included on line 1a)				1d						
	e	Total (add lines 1a through 1d) (cash \$ 477,964 noncash \$ 193,021)							1e 670,985			
	2	Program service revenue including government fees and contracts (from Part VII, line 93) .							2 75,891			
	3	Membership dues and assessments							3			
	4	Interest on savings and temporary cash investments							4			
	5	Dividends and interest from securities							5 3,484			
	6a	Gross rents				6a						
	b	Less rental expenses				6b						
	c	Net rental income or (loss) subtract line 6b from line 6a							6c			
	7	Other investment income (describe <div></div>)							7			
	8a	Gross amount from sales of assets other than inventory		(A) Securities		(B) Other						
Expenses	b	Less cost or other basis and sales expenses			8a							
	c	Gain or (loss) (attach schedule)			8b							
	d	Net gain or (loss) Combine line 8c, columns (A) and (B)			8c							
	8d											
	9	Special events and activities (attach schedule) If any amount is from gaming, check here <input type="checkbox"/>										
	a	Gross revenue (not including \$ 8,400 of contributions reported on line 1b) <div></div>				9a	12,070					
	b	Less direct expenses other than fundraising expenses				9b	9,170					
	c	Net income or (loss) from special events Subtract line 9b from line 9a							9c 2,900			
	10a	Gross sales of inventory, less returns and allowances				10a						
	b	Less cost of goods sold				10b						
	c	Gross profit or (loss) from sales of inventory (attach schedule) Subtract line 10b from line 10a							10c			
	11	Other revenue (from Part VII, line 103)							11			
	12	Total revenue Add lines 1e, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11							12 753,260			
	13	Program services (from line 44, column (B))							13 398,775			
	14	Management and general (from line 44, column (C))							14 168,026			
	15	Fundraising (from line 44, column (D))							15 32,152			
	16	Payments to affiliates (attach schedule)							16			
	17	Total expenses Add lines 16 and 44, column (A)							17 598,953			
Net Assets	18	Excess or (deficit) for the year Subtract line 17 from line 12							18 154,307			
	19	Net assets or fund balances at beginning of year (from line 73, column (A))							19 265,915			
	20	Other changes in net assets or fund balances (attach explanation) <div></div>							20 1,280			
	21	Net assets or fund balances at end of year Combine lines 18, 19, and 20							21 421,502			

For Privacy Act and Paperwork Reduction Act Notice, see the separate instructions.

Cat No 11282Y

Form 990 (2006)

Part II

Statement of Functional Expenses

All organizations must complete column (A). Columns (B), (C), and (D) are required for section 501(c)(3) and (4) organizations and section 4947(a)(1) nonexempt charitable trusts but optional for others. (See the instructions.)

Do not include amounts reported on line 6b, 8b, 9b, 10b, or 16 of Part I.		(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
22a	Grants paid from donor advised funds (attach Schedule) (cash \$ _____ noncash \$ _____) If this amount includes foreign grants, check here <input type="checkbox"/>	22a			
22b	Other grants and allocations (attach schedule) <input type="checkbox"/> (cash \$ 7,089 _____ noncash \$ _____) If this amount includes foreign grants, check here <input type="checkbox"/>	22b	7,089		
23	Specific assistance to individuals (attach schedule)	23			
24	Benefits paid to or for members (attach schedule)	24			
25a	Compensation of current officers, directors, key employees etc. Listed in Part V-A (attach schedule)	25a	9,600	4,896	768
b	Compensation of former officers, directors, key employees etc. listed in Part V-B (attach schedule)	25b			
c	Compensation and other distributions not included above to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) (attach schedule)	25c			
26	Salaries and wages of employees not included on lines 25a, b and c	26	320,098	92,649	25,060
27	Pension plan contributions not included on lines 25a, b and c	27			
28	Employee benefits not included on lines 25a - 27	28	41,195	19,567	3,069
29	Payroll taxes	29	3,312	1,689	265
30	Professional fundraising fees	30			
31	Accounting fees	31	19,927	19,927	
32	Legal fees	32	259	259	
33	Supplies	33	15,367	1,903	
34	Telephone	34	8,267	1,653	
35	Postage and shipping	35	2,133	1,066	
36	Occupancy	36	2,065		
37	Equipment rental and maintenance	37			
38	Printing and publications	38	3,456	1,728	
39	Travel	39	8,082	227	
40	Conferences, conventions, and meetings	40			
41	Interest	41	1,141	1,141	
42	Depreciation, depletion, etc. (attach schedule) <input type="checkbox"/>	42	59,801	5,980	2,990
43	Other expenses not covered above (itemize)				
a	See Additional Data Table	43a			
b		43b			
c		43c			
d		43d			
e		43e			
f		43f			
g		43g			
44	Total functional expenses. Add lines 22a through 43g (Organizations completing columns (B)-(D), carry these totals to lines 13-15)	44	598,953	168,026	32,152

Joint Costs. Check ☐ if you are following SOP 98-2.

Are any joint costs from a combined educational campaign and fundraising solicitation reported in **(B) Program services**? ☐ **Yes** ☐ **No**





If "Yes," enter **(i)** the aggregate amount of these joint costs \$ _____, **(ii)** the amount allocated to Program services \$ _____, **(iii)** the amount allocated to Management and general \$ _____, and **(iv)** the amount allocated to Fundraising \$ _____.

Part III Statement of Program Service Accomplishments *(See the instructions.)*

Form 990 is available for public inspection and, for some people, serves as the primary or sole source of information about a particular organization. How the public perceives an organization in such cases may be determined by the information presented on its return. Therefore, please make sure the return is complete and accurate and fully describes, in Part III, the organization's programs and accomplishments.

What is the organization's primary exempt purpose? TO SPREAD THE GOSPEL OF JESUS		Program Service Expenses (Required for 501(c)(3) and (4) orgs, and 4947(a)(1) trusts, but optional for others)
All organizations must describe their exempt purpose achievements in a clear and concise manner. State the number of clients served, publications issued, etc. Discuss achievements that are not measurable. (Section 501(c)(3) and (4) organizations and 4947(a)(1) nonexempt charitable trusts must also enter the amount of grants and allocations to others.)		
a OUR CHRISTIAN SEMINARY PROVIDES QUALITY THEOLOGICAL TRAINING FOR MINISTRY IN LOCAL CHURCHES AND ON MISSION FIELDS OVERSEAS. COURSES TRAIN PASTORS, EDUCATORS AND OTHERS IN DEGREE PROGRAMS AND ON AN AUDIT BASIS. LONG-DISTANCE PROFESSORS TRAVEL TO DISTANT LOCATIONS TO TEACH CLASSES.		
(Grants and allocations \$)	If this amount includes foreign grants, check here <input type="checkbox"/>	398,775
b		
(Grants and allocations \$)		
If this amount includes foreign grants, check here <input type="checkbox"/>		
c		
(Grants and allocations \$)		
If this amount includes foreign grants, check here <input type="checkbox"/>		
d		
(Grants and allocations \$)		
If this amount includes foreign grants, check here <input type="checkbox"/>		
e Other program services (attach schedule)		
(Grants and allocations \$)	If this amount includes foreign grants, check here <input type="checkbox"/>	
f Total of Program Service Expenses (should equal line 44, column (B), Program services)		398,775

Part IV Balance Sheets (See the instructions.)

Note: Where required, attached schedules and amounts within the description column should be for end-of-year amounts only.			(A) Beginning of year		(B) End of year
Assets	45	Cash—non-interest-bearing	28,325	45	23,857
	46	Savings and temporary cash investments	1,053	46	1,053
	47a	Accounts receivable	5,498		
	b	Less allowance for doubtful accounts	7,676	47c	5,498
	48a	Pledges receivable			
	b	Less allowance for doubtful accounts	26,067	48c	
	49	Grants receivable		49	
	50a	Receivables from current and former officers, directors, trustees, and key employees (attach schedule)		50a	
	b	Receivables from other disqualified persons (as defined under section 4958(c)(3)(B) (attach schedule)		50b	
	51a	Other notes and loans receivable (attach schedule)			
	b	Less allowance for doubtful accounts		51c	
	52	Inventories for sale or use		52	
	53	Prepaid expenses and deferred charges	9,463	53	11,468
	54a	Investments—publicly-traded securities . <input type="checkbox"/> Cost <input type="checkbox"/> FMV		54a	
	b	Investments—other securities (attach schedule) <input type="checkbox"/> Cost <input type="checkbox"/> FMV		54b	
55a	Investments—land, buildings, and equipment basis				
b	Less accumulated depreciation (attach schedule)		55c		
56	Investments—other (attach schedule)	2,888	56	 16,310	
57a	Land, buildings, and equipment basis	594,658			
b	Less accumulated depreciation (attach schedule)	110,990	209,136	57c  483,668	
58	Other assets, including program-related investments (describe <input type="checkbox"/> _____)		58		
59	Total assets (must equal line 74) Add lines 45 through 58	284,608	59	541,854	
Liabilities	60	Accounts payable and accrued expenses	7,888	60	6,145
	61	Grants payable		61	
	62	Deferred revenue	6,011	62	7,625
	63	Loans from officers, directors, trustees, and key employees (attach schedule)		63	 60,000
	64a	Tax-exempt bond liabilities (attach schedule)		64a	
	b	Mortgages and other notes payable (attach schedule)		64b	40,000
	65	Other liabilities (describe <input type="checkbox"/> _____)	4,794	65	 6,582
	66	Total liabilities Add lines 60 through 65	18,693	66	120,352
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 67 through 69 and lines 73 and 74				
	67	Unrestricted	235,326	67	394,603
	68	Temporarily restricted	30,589	68	10,601
	69	Permanently restricted		69	16,298
	Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 70 through 74				
	70	Capital stock, trust principal, or current funds		70	
	71	Paid-in or capital surplus, or land, building, and equipment fund		71	
	72	Retained earnings, endowment, accumulated income, or other funds . .		72	
	73	Total net assets or fund balances Add lines 67 through 69 or lines 70 through 72 (Column (A) must equal line 19 and column (B) must equal line 21)	265,915	73	421,502
	74	Total liabilities and net assets / fund balances Add lines 66 and 73 . . .	284,608	74	541,854

Part IV-A

Reconciliation of Revenue per Audited Financial Statements With Revenue per Return (See the instructions.)

a	Total revenue, gains, and other support per audited financial statements	a	1,041,292
b	Amounts included on line a but not on Part I, line 12		
1	Net unrealized gains on investments	b1	1,280
2	Donated services and use of facilities	b2	286,752
3	Recoveries of prior year grants	b3	
4	Other (specify) _____	b4	
	Add lines b1 through b4	b	288,032
c	Subtract line b from line a	c	753,260
d	Amounts included on Part I, line 12, but not on line a:		
1	Investment expenses not included on Part I, line 6b	d1	
2	Other (specify) _____	d2	
	Add lines d1 and d2	d	288,032
e	Total revenue (Part I, line 12) Add lines c and d	e	753,260

Part IV-B

Reconciliation of Expenses per Audited Financial Statements With Expenses per Return

a	Total expenses and losses per audited financial statements	a	885,705
b	Amounts included on line a but not on Part I, line 17		
1	Donated services and use of facilities	b1	286,752
2	Prior year adjustments reported on Part I, line 20	b2	
3	Losses reported on Part I, line 20	b3	
4	Other (specify) _____	b4	
	Add lines b1 through b4	b	286,752
c	Subtract line b from line a	c	598,953
d	Amounts included on Part I, line 17, but not on line a:		
1	Investment expenses not included on Part I, line 6b	d1	
2	Other (specify) _____	d2	
	Add lines d1 and d2	d	
e	Total expenses (Part I, line 17) Add lines c and d	e	598,953

Part V-A

Current Officers, Directors, Trustees, and Key Employees (List each person who was an officer, director, trustee, or key employee at any time during the year even if they were not compensated.) (See the instructions.)

(A) Name and address	(B) Title and average hours per week devoted to position	(C) Compensation (If not paid, enter -0-.)	(D) Contributions to employee benefit plans & deferred compensation plans	(E) Expense account and other allowances
stephen davey 6051 TRYON ROAD cary, NC 27518	president 4 00	0	0	0
thomas bradicich 6051 TRYON ROAD cary, NC 27518	board member 2 00	0	0	0
mark jackson 6051 TRYON ROAD cary, NC 27518	board member 4 00	0	0	0
steven Long 6051 TRYON ROAD cary, NC 27518	board member 1 00	0	0	0
william ludwig 6051 TRYON ROAD cary, NC 27518	board member 4 00	0	0	0
wayne witt 6051 TRYON ROAD cary, NC 27518	treasurer 2 00	0	0	0
ewart hodgins 6051 TRYON ROAD cary, NC 27518	cfo 25 00	9,600	0	0

Part V-A		Current Officers, Directors, Trustees, and Key Employees <i>(continued)</i>		Yes	No
75a	Enter the total number of officers, directors, and trustees permitted to vote on organization business at board meetings	7			
b	Are any officers, directors, trustees, or key employees listed in Form 990, Part V-A, or highest compensated employees listed in Schedule A, Part I, or highest compensated professional and other independent contractors listed in Schedule A, Part II-A or II-B, related to each other through family or business relationships? If "Yes," attach a statement that identifies the individuals and explains the relationship(s)	75b			No
c	Do any officers, directors, trustees, or key employees listed in Form 990, Part V-A, or highest compensated employees listed in Schedule A, Part I, or highest compensated professional and other independent contractors listed in Schedule A, Part II-A or II-B, receive compensation from any other organizations, whether tax exempt or taxable, that are related to the organization? See the instructions for the definition of "related organization" If "Yes," attach a statement that includes the information described in the instructions	75c			No
d	Does the organization have a written conflict of interest policy?	75d	Yes		

Part V-B

Former Officers, Directors, Trustees, and Key Employees That Received Compensation or Other Benefits (If any former officer, director, trustee, or key employee received compensation or other benefits (described below) during the year, list that person below and enter the amount of compensation or other benefits in the appropriate column. See the instructions.)

(A) Name and address	(B) Loans and Advances	(C) Compensation (If not paid enter -0-)	(D) Contributions to employee benefit plans and deferred compensation plans	(E) Expense account and other allowances

Part VI		Other Information <i>(See the instructions.)</i>		Yes	No
76	Did the organization make a change in its activities or methods of conducting activities? If "Yes," attach a detailed statement of each change	76			No
77	Were any changes made in the organizing or governing documents but not reported to the IRS? If "Yes," attach a conformed copy of the changes	77			No
78a	Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return?	78a			No
b	If "Yes," has it filed a tax return on Form 990-T for this year?	78b			
79	Was there a liquidation, dissolution, termination, or substantial contraction during the year? If "Yes," attach a statement	79			No
80a	Is the organization related (other than by association with a statewide or nationwide organization) through common membership, governing bodies, trustees, officers, etc , to any other exempt or nonexempt organization?	80a			No
b	If "Yes," enter the name of the organization ► _____ _____and check whether it is <input type="checkbox"/> exempt or <input type="checkbox"/> nonexempt				
81a	Enter direct or indirect political expenditures (See line 81 instructions)	81a			
b	Did the organization file Form 1120-POL for this year?	81b			No

Part VI

Other Information (continued)

Yes

No

82a

Did the organization receive donated services or the use of materials, equipment, or facilities at no charge or at substantially less than fair rental value?

82a

Yes

b

If "Yes," you may indicate the value of these items here. Do not include this amount as revenue in Part I or as an expense in Part II. (See instructions in Part III.)

82b

286,752

83a

Did the organization comply with the public inspection requirements for returns and exemption applications?

83a

Yes

b

Did the organization comply with the disclosure requirements relating to quid pro quo contributions?

83b

Yes

84a

Did the organization solicit any contributions or gifts that were not tax deductible?

84a

No

b

If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?

84b

85

501(c)(4), (5), or (6) organizations. a Were substantially all dues nondeductible by members?

85a

b

Did the organization make only in-house lobbying expenditures of \$2,000 or less?

85b

If "Yes," was answered to either 85a or 85b, do not complete 85c through 85h below unless the organization received a waiver for proxy tax owed the prior year

c

Dues assessments, and similar amounts from members

85c

d

Section 162(e) lobbying and political expenditures

85d

e

Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices

85e

f

Taxable amount of lobbying and political expenditures (line 85d less 85e)

85f

g

Does the organization elect to pay the section 6033(e) tax on the amount on line 85f?

85g

h

If section 6033(e)(1)(A) dues notices were sent, does the organization agree to add the amount on line 85f to its reasonable estimate of dues allocable to nondeductible lobbying and political expenditures for the following tax year?

85h

86

501(c)(7) orgs. Enter a Initiation fees and capital contributions included on line 12

86a

b

Gross receipts, included on line 12, for public use of club facilities

86b

87

501(c)(12) orgs. Enter a Gross income from members or shareholders

87a

b

Gross income from other sources. (Do not net amounts due or paid to other sources against amounts due or received from them.)

87b

88a

At any time during the year, did the organization own a 50% or greater interest in a taxable corporation or partnership, or an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? If "Yes," complete Part IX

88a

No

b

At any time during the year, did the organization directly or indirectly own a controlled entity within the meaning of section 512(b)(13)? If yes, complete Part XI

88b

No

89a

501(c)(3) organizations. Enter Amount of tax imposed on the organization during the year under section 4911 0, section 4912 0, section 4955 0

b

501(c)(3) and 501(c)(4) orgs. Did the organization engage in any section 4958 excess benefit transaction during the year or did it become aware of an excess benefit transaction from a prior year? If "Yes," attach a statement explaining each transaction

89b

No

c

Enter Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958 0

d

Enter Amount of tax on line 89c, above, reimbursed by the organization

e

All organizations. At any time during the tax year was the organization a party to a prohibited tax shelter transaction?

89e

No

f

All organizations. Did the organization acquire direct or indirect interest in any applicable insurance contract?

89f

No

g

For supporting organizations and sponsoring organizations maintaining donor advised funds. Did the supporting organization, or a fund maintained by a sponsoring organization, have excess business holdings at any time during the year?

89g

No

90a

List the states with which a copy of this return is filed

b

Number of employees employed in the pay period that includes March 12, 2006 (See instructions.)

90b

7

91a

The books are in care of Ewart Hodgins Telephone no (919) 573-5350

6051 Tryon Road

Located at Cary, NC ZIP + 4 27518

b

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)?

91b

No

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

Part VI Other Information <i>(continued)</i>		Yes	No
c At any time during the calendar year, did the organization maintain an office outside of the United States?		91c	No
If "Yes," enter the name of the foreign country ▶ _____			
92 Section 4947(a)(1) nonexempt charitable trusts filing Form 990 in lieu of Form 1041 —Check here ▶		☐	
and enter the amount of tax-exempt interest received or accrued during the tax year ▶		92	

Part VII Analysis of Income-Producing Activities (See the instructions.)

Note: Enter gross amounts unless otherwise indicated.	Unrelated business income		Excluded by section 512, 513, or 514		(E) Related or exempt function income
	(A) Business code	(B) Amount	(C) Exclusion code	(D) Amount	
93 Program service revenue					
a Tuition and Fees					75,891
b					
c					
d					
e					
f Medicare/Medicaid payments					
g Fees and contracts from government agencies					
94 Membership dues and assessments					
95 Interest on savings and temporary cash investments					
96 Dividends and interest from securities . . .			14	3,484	
97 Net rental income or (loss) from real estate					
a debt-financed property					
b non debt-financed property					
98 Net rental income or (loss) from personal property					
99 Other investment income					
100 Gain or (loss) from sales of assets other than inventory					
101 Net income or (loss) from special events . .			01	2,900	
102 Gross profit or (loss) from sales of inventory					
103 Other revenue a					
b					
c					
d					
e					
104 Subtotal (add columns (B), (D), and (E)) . .				6,384	75,891
105 Total (add line 104, columns (B), (D), and (E)) ▶					82,275

Note: Line 105 plus line 1e, Part I, should equal the amount on line 12, Part I.

Part VIII Relationship of Activities to the Accomplishment of Exempt Purposes (See the instructions.)

Line No. ▼	Explain how each activity for which income is reported in column (E) of Part VII contributed importantly to the accomplishment of the organization's exempt purposes (other than by providing funds for such purposes)
93a	Tuition collected enables the seminary to secure and maintain a high quality of instruction

Part IX Information Regarding Taxable Subsidiaries and Disregarded Entities (See the instructions.)

(A) Name, address, and EIN of corporation, partnership, or disregarded entity	(B) Percentage of ownership interest	(C) Nature of activities	(D) Total income	(E) End-of-year assets
	%			
	%			
	%			
	%			

Part X Information Regarding Transfers Associated with Personal Benefit Contracts (See the instructions.)

(a)	Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	☐ Yes ☑ No
(b)	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?	☐ Yes ☑ No
NOTE: If "Yes" to (b), file Form 8870 and Form 4720 (see instructions).		

Part XI

Information Regarding Transfers To and From Controlled Entities

Complete only if the organization is a controlling organization as defined in section 512(b)(13)

106	Did the reporting organization make any transfers to a controlled entity as defined in section 512(b)(13) of the Code? If "Yes," complete the schedule below for each controlled entity	Yes	No

	(A) Name and address of each controlled entity	(B) Employer Identification Number	(C) Description of transfer	(D) Amount of transfer
Totals				

107	Did the reporting organization receive any transfers from a controlled entity as defined in section 512(b)(13) of the Code? If "Yes," complete the schedule below for each controlled entity	Yes	No

	(A) Name and address of each controlled entity	(B) Employer Identification Number	(C) Description of transfer	(D) Amount of transfer
Totals				

108	Did the organization have a binding written contract in effect on August 17, 2006 covering the interests, rents, royalties and annuities described in question 107 above?	Yes	No

Please Sign Here

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.






Signature of officer

2010-09-29

Date

cfo cfo

Type or print name and title

Paid Preparer's Use Only	Preparer's signature  Gwen Vass	Date	Check if self-employed  <input checked="" type="checkbox"/>	Preparer's SSN or PTIN (See Gen. Inst. W)
	Firm's name (or yours if self-employed), address, and ZIP + 4 	WILLIAMS OVERMAN PIERCE LLP PO BOX 31823 RALEIGH, NC 276221823		EIN 
			Phone no 	(919) 782-3444

SCHEDULE A
(Form 990 or 990EZ)

Department of the Treasury
Internal Revenue Service

Organization Exempt Under Section 501(c)(3)
(Except Private Foundation) and Section 501(e), 501(f), 501(k),
501(n), or 4947(a)(1) Nonexempt Charitable Trust
Supplementary Information—(See separate instructions.)
▶ **MUST be completed by the above organizations and attached to their Form 990 or 990-EZ**

OMB No 1545-0047

2007

Name of the organization
SHEPHERDS THEOLOGICAL SEMINARY INC

Employer identification number
20-0180768

Part I Compensation of the Five Highest Paid Employees Other Than Officers, Directors, and Trustees
(See page 1 of the instructions. List each one. If there are none, enter "None.")

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

Part II-A Compensation of the Five Highest Paid Independent Contractors for Professional Services
(See page 2 of the instructions. List each one (whether individual or firms). If there are none, enter "None.")

(a) Name and address of each independent contractor paid more than \$50,000	(b) Type of service	(c) Compensation
None		
Total number of others receiving over \$50,000 for professional services ▶		

Part II-B Compensation of the Five Highest Paid Independent Contractors for Other Services
(List each contractor who performed services other than professional services, whether individual or firms. If there are none, enter "None". See page 2 for instructions.)

(a) Name and address of each independent contractor paid more than \$50,000	(b) Type of service	(c) Compensation
oak construction co 1010 high house road cary, NC 27513	building improvements	133,616
Total number of other contractors receiving over \$50,000 for other services ▶		

Part III Statements About Activities (See page 2 of the instructions.)

Yes No

1	During the year, has the organization attempted to influence national, state, or local legislation, include any attempt to influence public opinion on a legislative matter or referendum? If "Yes," enter the total expenses paid or incurred in connection with the lobbying activities ▶\$ _____(Must equal amounts on line 38, Part VI-A, or line 1 of Part VI-B)	1		No
	Organizations that made an election under section 501(h) by filing Form 5768 must complete Part VI-A Other organizations checking "Yes" must complete Part VI-B AND attach a statement giving a detailed description of the lobbying activities			
2	During the year, has the organization, either directly or indirectly, engaged in any of the following acts with any substantial contributors, trustees, directors, officers, creators, key employees, or members of their families, or with any taxable organization with which any such person is affiliated as an officer, director, trustee, majority owner, or principal beneficiary? (If the answer to any question is "Yes," attach a detailed statement explaining the transactions.) 📎			
a	Sale, exchange, or leasing property?	2a		No
b	Lending of money or other extension of credit?	2b	Yes	
c	Furnishing of goods, services, or facilities?	2c	Yes	
d	Payment of compensation (or payment or reimbursement of expenses if more than \$1,000)?	2d	Yes	
e	Transfer of any part of its income or assets?	2e		No
3a	Did the organization make grants for scholarships, fellowships, student loans, etc ? (If "Yes," attach an explanation of how the organization determines that recipients qualify to receive payments) 📎	3a	Yes	
b	Did the organization have a section 403(b) annuity plan for its employees?	3b		No
c	Did the organization receive or hold an easement for conservation purposes, including easements to preserve open space, the environment , historic land areas or structures? If "Yes" attach a detailed statement	3c		No
d	Did the organization provide credit counseling, debt management, credit repair, or debt negotiation services?	3d		No
4a	Did the organization maintain any donor advised funds? If "Yes," complete lines 4b through 4g If "No," complete lines 4f and 4g	4a	Yes	
b	Did the organization make any taxable distributions under section 4966?	4b		
c	Did the organization make a distribution to a donor, donor advisor, or related person?	4c		
d	Enter the total number of donor advised funds owned at the end of the tax year ▶ _____			
e	Enter the aggregate value of assets held in all donor advised funds owned at the end of the tax year ▶ _____			
f	Enter the total number of separate funds or accounts owned at the end of the tax year (excluding donor advised funds included on line 4d) where donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts ▶ 0 _____			
g	Enter the aggregate value of assets held in all funds or accounts included on line 4f at the end of the tax year ▶ 0 _____			

Part IV

Reason for Non-Private Foundation Status (See pages 4 through 7 of the instructions.)

I certify that the organization is not a private foundation because it is (Please check only **ONE** applicable box)

5

☐

A church, convention of churches, or association of churches Section 170(b)(1)(A)(i)

6

☒

A school Section 170(b)(1)(A)(ii) (Also complete Part V)

7

☐

A hospital or a cooperative hospital service organization Section 170(b)(1)(A)(iii)

8

☐

A federal, state, or local government or governmental unit Section 170(b)(1)(A)(v)

9

☐

A medical research organization operated in conjunction with a hospital Section 170(b)(1)(A)(iii) Enter the hospital's name, city, and state

10

☐

An organization operated for the benefit of a college or university owned or operated by a governmental unit Section 170(b)(1)(A)(iv) (Also complete the **Support Schedule** in Part IV-A)

11a

☐

An organization that normally receives a substantial part of its support from a governmental unit or from the general public Section 170(b)(1)(A)(vi) (Also complete the **Support Schedule** in Part IV-A)

11b

☐

A community trust Section 170(b)(1)(A)(vi) (Also complete the **Support Schedule** in Part IV-A)

12

☐

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 charitable, etc , 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) (Also complete the **Support Schedule** in Part IV-A)

13

☐

An organization that is not controlled by any disqualified persons (other than foundation managers) and otherwise meets the requirements of section 509(a)(3) Check the box that describes the type of supporting organization

☐ Type I

☐ Type II

☐ Type III - Functionally Integrated

☐ Type III - Other

Provide the following information about the supported organizations. (see page 7 of the instructions.)					
(a) Name(s) of supported organization(s)	(b) Employer identification number	(c) Type of organization (described in lines 5 through 12 above or IRC section)	(d) Is the supported organization listed in the supporting organization's governing documents?		(e) Amount of support?
			Yes	No	
Total					

14

☐

An organization organized and operated to test for public safety Section 509(a)(4) (See page 7 of the instructions)

Part IV-A Support Schedule

(Complete only if you checked a box on line 10, 11, or 12) Use cash method of accounting.

Note: You may use the worksheet in the instructions for converting from the accrual to the cash method of accounting.

Calendar year (or fiscal year beginning in)	(a) 2006	(b) 2005	(c) 2004	(d) 2003	(e) Total
15 Gifts, grants, and contributions received (Do not include unusual grants See line 28)					
16 Membership fees received					
17 Gross receipts from admissions, merchandise sold or services performed, or furnishing of facilities in any activity that is related to the organization's charitable, etc , purpose					
18 Gross income from interest, dividends, amounts received from payments on securities loans (section 512(a)(5)), rents, royalties, and unrelated business taxable income (less section 511 taxes) from businesses acquired by the organization after June 30, 1975					
19 Net income from unrelated business activities not included in line 18					
20 Tax revenues levied for the organization's benefit and either paid to it or expended on its behalf					
21 The value of services or facilities furnished to the organization by a governmental unit without charge Do not include the value of services or facilities generally furnished to the public without charge					
22 Other income Attach a schedule Do not include gain or (loss) from sale of capital assets					
23 Total of lines 15 through 22					
24 Line 23 minus line 17					
25 Enter 1% of line 23					
26 Organizations described on lines 10 or 11:	a Enter 2% of amount in column (e), line 24				26a
b Prepare a list for your records to show the name of and amount contributed by each person (other than a governmental unit or publicly supported organization) whose total gifts for 2002 through 2005 exceeded the amount shown in line 26a Do not file this list with your return. Enter the total of all these excess amounts					26b0
c Total support for section 509(a)(1) test Enter line 24, column (e)					26c
d Add Amounts from column (e) for lines 18 19 22 26b					26d
e Public support (line 26c minus line 26d total)					26e
f Public support percentage (line 26e (numerator) divided by line 26c (denominator))					26f
27 Organizations described on line 12:	a For amounts included in lines 15, 16, and 17 that were received from a "disqualified person," prepare a list for your records to show the name of, and total amounts received in each year from, each "disqualified person " Do not file this list with your return. Enter the sum of such amounts for each year (2006) (2005) (2004) (2003)				
b For any amount included in line 17 that was received from each person (other than "disqualified persons"), prepare a list for your records to show the name of, and amount received for each year, that was more than the larger of (1) the amount on line 25 for the year or (2) \$5,000 (Include in the list organizations described in lines 5 through 11b, as well as individuals) Do not file this list with your return. After computing the difference between the amount received and the larger amount described in (1) or (2), enter the sum of these differences (the excess amounts) for each year (2006) (2005) (2004) (2003)					
c Add Amounts from column (e) for lines 15 16 17 20 21					27c
d Add Line 27a total and line 27b total					27d
e Public support (line 27c total minus line 27d total)					27e
f Total support for section 509(a)(2) test Enter amount from line 23, column (e)	27f				
g Public support percentage (line 27e (numerator) divided by line 27f (denominator))					27g
h Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator))					27h
28 Unusual Grants: For an organization described in line 10, 11, or 12 that received any unusual grants during 2002 through 2005, prepare a list for your records to show, for each year, the name of the contributor, the date and amount of the grant, and a brief description of the nature of the grant Do not file this list with your return. Do not include these grants in line 15					


Part V Private School Questionnaire (See page 7 of the instructions.)


(To be completed ONLY by schools that checked the box on line 6 in Part IV)

29	Does the organization have a racially nondiscriminatory policy toward students by statement in its charter, bylaws, other governing instrument, or in a resolution of its governing body?		Yes	No
		29	Yes	
		30	Yes	
30	Does the organization include a statement of its racially nondiscriminatory policy toward students in all its brochures, catalogues, and other written communications with the public dealing with student admissions, programs, and scholarships?			
		30	Yes	
31	Has the organization publicized its racially nondiscriminatory policy through newspaper or broadcast media during the period of solicitation for students, or during the registration period if it has no solicitation program, in a way that makes the policy known to all parts of the general community it serves?		Yes	
	If "Yes," please describe, if "No," please explain (If you need more space, attach a separate statement)			
32	Does the organization maintain the following			
	a Records indicating the racial composition of the student body, faculty, and administrative staff?	32a	Yes	
	b Records documenting that scholarships and other financial assistance are awarded on racially nondiscriminatory basis?	32b	Yes	
	c Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships?	32c	Yes	
	d Copies of all material used by the organization or on its behalf to solicit contributions?	32d	Yes	
	If you answered "No" to any of the above, please explain (If you need more space, attach a separate statement)			
33	Does the organization discriminate by race in any way with respect to			
	a Students' rights or privileges?	33a		No
	b Admissions policies?	33b		No
	c Employment of faculty or administrative staff?	33c		No
	d Scholarships or other financial assistance?	33d		No
	e Educational policies?	33e		No
	f Use of facilities?	33f		No
	g Athletic programs?	33g		No
	h Other extracurricular activities?	33h		No
	If you answered "Yes" to any of the above, please explain (If you need more space, attach a separate statement)			
34a	Does the organization receive any financial aid or assistance from a governmental agency?	34a		No
	b Has the organization's right to such aid ever been revoked or suspended?	34b		No
	If you answered "Yes" to either 34a or b, please explain using an attached statement			
35	Does the organization certify that it has complied with the applicable requirements of sections 4 01 through 4 05 of Rev Proc 75-50, 1975-2 C B 587, covering racial nondiscrimination? If "No," attach an explanation	35	Yes	

Part VI-A

Lobbying Expenditures by Electing Public Charities (See page 9 of the instructions.)
(To be completed ONLY by an eligible organization that filed Form 5768)


Check  **a** ☐ if the organization belongs to an affiliated group

Check  **b** ☐ if you checked "a" and "limited control" provisions apply

Limits on Lobbying Expenditures		(a) Affiliated group totals	(b) To be completed for all electing organizations
(The term "expenditures" means amounts paid or incurred)			
36	Total lobbying expenditures to influence public opinion (grassroots lobbying)	36	
37	Total lobbying expenditures to influence a legislative body (direct lobbying)	37	
38	Total lobbying expenditures (add lines 36 and 37)	38	
39	Other exempt purpose expenditures	39	
40	Total exempt purpose expenditures (add lines 38 and 39)	40	
41	Lobbying nontaxable amount Enter the amount from the following table— <div><div>If the amount on line 40 is—</div><div>The lobbying nontaxable amount is—</div><div>Not over \$500,00020% of the amount on line 40</div><div>Over \$500,000 but not over \$1,000,000\$100,000 plus 15% of the excess over \$500,000</div><div>Over \$1,000,000 but not over \$1,500,000\$175,000 plus 10% of the excess over \$1,000,000</div><div>Over \$1,500,000 but not over \$17,000,000\$225,000 plus 5% of the excess over \$1,500,000</div><div>Over \$17,000,000\$1,000,000</div></div>	41	
42	Grassroots nontaxable amount (enter 25% of line 41)	42	
43	Subtract line 42 from line 36 Enter -0- if line 42 is more than line 36	43	
44	Subtract line 41 from line 38 Enter -0- if line 41 is more than line 38	44	
Caution: If there is an amount on either line 43 or line 44, you must file Form 4720.			

4-Year Averaging Period Under Section 501(h)

(Some organizations that made a section 501(h) election do not have to complete all of the five columns below
See the instructions for lines 45 through 50 on page 11 of the instructions)

	Lobbying Expenditures During 4-Year Averaging Period				
Calendar year (or fiscal year beginning in) 	(a) 2007	(b) 2006	(c) 2005	(d) 2004	(e) Total
45 Lobbying nontaxable amount					
46 Lobbying ceiling amount (150% of line 45(e))					
47 Total lobbying expenditures					
48 Grassroots nontaxable amount					
49 Grassroots ceiling amount (150% of line 48(e))					
50 Grassroots lobbying expenditures					

Part VI-B

Lobbying Activity by Nonelecting Public Charities
(For reporting only by organizations that did not complete Part VI-A) (See page 11 of the instructions.)

During the year, did the organization attempt to influence national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of	Yes	No	Amount
a Volunteers			
b Paid staff or management (Include compensation in expenses reported on lines c through h .)			
c Media advertisements			
d Mailings to members, legislators, or the public			
e Publications, or published or broadcast statements			
f Grants to other organizations for lobbying purposes			
g Direct contact with legislators, their staffs, government officials, or a legislative body			
h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any other means			
i Total lobbying expenditures (Add lines c through h .)			
If "Yes" to any of the above, also attach a statement giving a detailed description of the lobbying activities			

51 Did the reporting organization directly or indirectly engage in any of the following with any other organization described in section 501(c) of the Code (other than section 501(c)(3) organizations) or in section 527, relating to political organizations?

a Transfers from the reporting organization to a noncharitable exempt organization of

	Yes	No
(i) Cash		No
(ii) Other assets		No
b Other transactions		
(i) Sales or exchanges of assets with a noncharitable exempt organization		No
(ii) Purchases of assets from a noncharitable exempt organization		No
(iii) Rental of facilities, equipment, or other assets		No
(iv) Reimbursement arrangements		No
(v) Loans or loan guarantees		No
(vi) Performance of services or membership or fundraising solicitations		No
c Sharing of facilities, equipment, mailing lists, other assets, or paid employees		No

d If the answer to any of the above is "Yes," complete the following schedule. Column (b) should always show the fair market value of the goods, other assets, or services given by the reporting organization. If the organization received less than fair market value in any transaction or sharing arrangement, show in column (d) the value of the goods, other assets, or services received.

52a Is the organization directly or indirectly affiliated with, or related to, one or more tax-exempt organizations described in section 501(c) of the Code (other than section 501(c)(3)) or in section 527? ☐ **Yes** ☒ **No**

[illegible]

Additional Data

Software ID:

Software Version:

EIN: 20-0180768

Name: SHEPHERDS THEOLOGICAL SEMINARY INC

Form 990, Part II, Line 43 - Other expenses not covered above (itemize):

<i>Do not include amounts reported on line 6b, 8b, 9b, 10b, or 16 of Part I.</i>		(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
a Other Expenses	43a	12,008	10,454	1,554	
b Bank Fees	43b	452		452	
c Bookkeeping Service	43c	6,000		6,000	
d Student Recruitment & Eval	43d	39,293	39,293		
e Dues	43e	30		30	
f Library	43f	4,760	4,760		
g Development	43g	2,875	2,875		
h Consulting	43h	8,400	8,400		
i Accreditation Costs	43i	8,734	8,734		
j Faculty expense	43j	14,609	7,304	7,305	

TY 2007 Cash Grants Paid Schedule**Name:** SHEPHERDS THEOLOGICAL SEMINARY INC**EIN:** 20-0180768

Class of Activity	Recipient's name	Address	Amount	Relationship
scholarship	jeff beverly		926	none
scholarship	jason chamberlain		1,001	none
scholarship	christopher eisbrenner		311	none
scholarship	june howard		750	none
scholarship	derrick mccullough		1,400	none
scholarship	tim sydnor		925	none
scholarship	william vanboven		50	none
scholarship	christpher vogts		1,426	none

Class of Activity	Recipient's name	Address	Amount	Relationship
scholarship	stephen poindexter		300	none

TY 2007 Depreciation and Depletion Schedule

Name: SHEPHERDS THEOLOGICAL SEMINARY INC

EIN: 20-0180768

Asset	Amount
library	32,020
leasehold improvements	10,702
Equipment	17,079

TY 2007 Investments - Other Schedule

Name: SHEPHERDS THEOLOGICAL SEMINARY INC

EIN: 20-0180768

Description	Book Value	Cost/FMV
Securities and other investments	16,310	F

TY 2007 Land etc. Schedule**Name:** SHEPHERDS THEOLOGICAL SEMINARY INC**EIN:** 20-0180768

Category/Item	Cost/Other Basis	Accumulated Depreciation	Book Value
library	271,940	74,101	197,839
leasehold improvements	142,694	10,702	131,992
Equipment	180,024	26,187	153,837

TY 2007 Loans from Officers Schedule

Name: SHEPHERDS THEOLOGICAL SEMINARY INC

EIN: 20-0180768

TY 2007 Other Changes in Net Assets Schedule

Name: SHEPHERDS THEOLOGICAL SEMINARY INC

EIN: 20-0180768

Description	Amount
Unrealized gain on invenstments	1,280

TY 2007 Other Liabilities Schedule

Name: SHEPHERDS THEOLOGICAL SEMINARY INC

EIN: 20-0180768

Description	Beginning of Year Amount	End of Year Amount
PAYROLL LIABILITIES	4,794	6,582

TY 2007 Special Events Schedule

Name: SHEPHERDS THEOLOGICAL SEMINARY INC

EIN: 20-0180768

Event Name	Gross Receipts	Contributions	Gross Revenue	Direct Expense	Net Income (Loss)
golf tournament	20,470	8,400	12,070	9,170	2,900

TY 2007 Scholarship Award Statement

Name: SHEPHERDS THEOLOGICAL SEMINARY INC

EIN: 20-0180768

Statement: Scholarships are awarded based on academic excellence,
commitment to ministry and financial need

TY 2007 Self Dealing Statement**Name:** SHEPHERDS THEOLOGICAL SEMINARY INC**EIN:** 20-0180768

Line Number	Explanation
2b	At June 30, 2008, Shepherd's Theological Seminary owed \$ 60,000 to Wayne Witt, who is a member of the Board of Directors. The loan is a short-term demand loan dated November 2007 with an interest rate of 5%. Shepherd's Theological Seminary intends to repay this loan prior to June 30, 2009.
2c	Colonial Baptist Church donates a portion of their facilities and staff services to the Seminary
2d	See Form 990, Part V-A for salary