Form **990-PF**

Department of the Treasury
Internal Revenue Service

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

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

OMB No 1545 0052

2009

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

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

Use the IRS label Otherwise, print or type See Specific Instructions

Name of foundation	THE SHEPERDS FOUNDATION
Number and street (or P O box number if mail is not delivered to street address) / Room/suite	2435 HIDDEN RIVER LANE
City or town / State / ZIP code	FRANKLIN TN 37069-6933
A Employer identification number	62-1842982
B Telephone number (see the instructions)	(615) 371-0030

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

H Check type of organization: [X] Section 501(c)(3) exempt private foundation ☐ Section 4947(a)(1) nonexempt charitable trust ☐ Other taxable private foundation

I Fair market value of all assets at end of year (from Part II, column (c), line 16) ► $ 638,649.

J Accounting method: [X] Cash ☐ Accrual ☐ Other (specify) (Part I, column (d) must be on cash basis.)

Part I Analysis of Revenue and Expenses *(The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a) (see the instructions).)*

		(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
REVENUE	1 Contributions, gifts, grants, etc, received (att sch)	150,000.			
	2 Ck ► ☐ if the foundn is not req to att Sch B				
	3 Interest on savings and temporary cash investments	14,693.	14,693.		
	4 Dividends and interest from securities	2,103.	2,103.		
	5a Gross rents				
	b Net rental income or (loss)				
	6a Net gain/(loss) from sale of assets not on line 10	-91,458.			
	b Gross sales price for all assets on line 6a 447,056.				
	7 Capital gain net income (from Part IV, line 2)		0.		
	8 Net short-term capital gain				
	9 Income modifications				
	10a Gross sales less returns and allowances				
	b Less Cost of goods sold				
	c Gross profit/(loss) (att sch)				
	11 Other income (attach schedule)				
	12 **Total.** Add lines 1 through 11	75,338.	16,796.		
OPERATING AND ADMINISTRATIVE EXPENSES	13 Compensation of officers, directors, trustees, etc				
	14 Other employee salaries and wages				
	15 Pension plans, employee benefits				
	16a Legal fees (attach schedule)				
	b Accounting fees (attach sch)				
	c Other prof fees (attach sch) L-16c Stmt	1,178.			
	17 Interest				
	18 Taxes (attach schedule)(see instr) See Line 18 Stmt	288.	0.		20.
	19 Depreciation (attach sch) and depletion				
	20 Occupancy				
	21 Travel, conferences, and meetings				
	22 Printing and publications				
	23 Other expenses (attach schedule)				
	24 **Total operating and administrative expenses.** Add lines 13 through 23	1,466.	0.		20.
	25 Contributions, gifts, grants paid	796,262.			796,262.
	26 **Total expenses and disbursements.** Add lines 24 and 25	797,728.	0.		796,282.
	27 Subtract line 26 from line 12:				
	a **Excess of revenue over expenses and disbursements**	-722,390.			
	b **Net investment income** (if negative, enter -0-)		16,796.		
	c **Adjusted net income** (if negative, enter -0-)				

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Part II Balance Sheets Attached schedules and amounts in the description column should be for end-of year amounts only (See instructions)

		Beginning of year (a) Book Value	End of year (b) Book Value	End of year (c) Fair Market Value
ASSETS	1 Cash – non-interest-bearing			
	2 Savings and temporary cash investments	882,782.	364,759.	364,759.
	3 Accounts receivable ►			
	Less· allowance for doubtful accounts ►			
	4 Pledges receivable ►			
	Less allowance for doubtful accounts ►			
	5 Grants receivable			
	6 Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see the instructions)			
	7 Other notes and loans receivable (attach sch) ►			
	Less: allowance for doubtful accounts ►			
	8 Inventories for sale or use			
	9 Prepaid expenses and deferred charges			
	10a Investments – U S and state government obligations (attach schedule)			
	b Investments – corporate stock (attach schedule) L-10b Stmt	367,485.	0.	0.
	c Investments – corporate bonds (attach schedule) L-10c Stmt	104,738.	204,546.	208,960.
	11 Investments – land, buildings, and equipment: basis ►			
	Less accumulated depreciation (attach schedule) ►			
	12 Investments – mortgage loans			
	13 Investments – other (attach schedule) L-13 Stmt		63,310.	64,930.
	14 Land, buildings, and equipment basis ►			
	Less accumulated depreciation (attach schedule) ►			
	15 Other assets (describe ►)			
	16 **Total assets** (to be completed by all filers – see instructions Also, see page 1, item I)	1,355,005.	632,615.	638,649.
LIABILITIES	17 Accounts payable and accrued expenses			
	18 Grants payable			
	19 Deferred revenue			
	20 Loans from officers, directors, trustees, & other disqualified persons			
	21 Mortgages and other notes payable (attach schedule)			
	22 Other liabilities (describe ►)			
	23 **Total liabilities** (add lines 17 through 22)			
NET ASSETS OR FUND BALANCES	**Foundations that follow SFAS 117, check here ► ☐ and complete lines 24 through 26 and lines 30 and 31.**			
	24 Unrestricted			
	25 Temporarily restricted			
	26 Permanently restricted			
	Foundations that do not follow SFAS 117, check here ► ☒ and complete lines 27 through 31.			
	27 Capital stock, trust principal, or current funds			
	28 Paid-in or capital surplus, or land, building, and equipment fund			
	29 Retained earnings, accumulated income, endowment, or other funds	1,355,005.	632,615.	
	30 **Total net assets or fund balances** (see the instructions)	1,355,005.	632,615.	
	31 **Total liabilities and net assets/fund balances** (see the instructions)	1,355,005.	632,615.	

Part III Analysis of Changes in Net Assets or Fund Balances

1	Total net assets or fund balances at beginning of year – Part II, column (a), line 30 (must agree with end-of-year figure reported on prior year's return)	1	1,355,005.
2	Enter amount from Part I, line 27a	2	-722,390.
3	Other increases not included in line 2 (itemize) ►	3	
4	Add lines 1, 2, and 3	4	632,615.
5	Decreases not included in line 2 (itemize) ►	5	
6	Total net assets or fund balances at end of year (line 4 minus line 5) – Part II, column (b), line 30	6	632,615.

Part IV Capital Gains and Losses for Tax on Investment Income

	(a) List and describe the kind(s) of property sold (e g., real estate, 2-story brick warehouse, or common stock, 200 shares MLC Company)	(b) How acquired P — Purchase D — Donation	(c) Date acquired (month, day year)	(d) Date sold (month, day, year)
1a	1000 SHS EMC CORP	D	07/01/00	07/22/09
b	30000 FORD MOTOR CO BOND	P	07/01/00	10/28/09
c	SEE ATTACHED LISTING	P	Various	Various
d				
e				

	(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)
a	14,039.		22,652.	-8,613.
b	30,000.		29,700.	300.
c	403,018.		486,163.	-83,145.
d				
e				

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69

	(i) Fair Market Value as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of column (i) over column (j), if any	(l) Gains (Column (h) gain minus column (k), but not less than -0-) or Losses (from column (h))
a				-8,613.
b				300.
c				-83,145.
d				
e				

2 Capital gain net income or (net capital loss) — If gain, also enter in Part I, line 7; If (loss), enter -0- in Part I, line 7 — **2** -91,458.

3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6)

If gain, also enter in Part I, line 8, column (c) (see the instructions) If (loss), enter -0- in Part I, line 8 — **3**

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

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

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

Was the foundation liable for the section 4942 tax on the distributable amount of any year in the base period? ☐ Yes ☐ No

If 'Yes,' the foundation does not qualify under section 4940(e) Do not complete this part.

1 Enter the appropriate amount in each column for each year, see the instructions before making any entries

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (column (b) divided by column (c))
2008			
2007			
2006			
2005			
2004			

2 **Total** of line 1, column (d)	2	
3 Average distribution ratio for the 5-year base period — divide the total on line 2 by 5, or by the number of years the foundation has been in existence if less than 5 years	3	
4 Enter the net value of noncharitable-use assets for 2009 from Part X, line 5	4	
5 Multiply line 4 by line 3	5	
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	
7 Add lines 5 and 6	7	
8 Enter qualifying distributions from Part XII, line 4	8	

If line 8 is equal to or greater than line 7, check the box in Part VI, line 1b, and complete that part using a 1% tax rate See the Part VI instructions.

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

1 a Exempt operating foundations described in section 4940(d)(2), check here ► ☐ and enter 'N/A' on line 1 Date of ruling or determination letter ________ (attach copy of letter if necessary - see instr.) b Domestic foundations that meet the section 4940(e) requirements in Part V, check here ► ☐ and enter 1% of Part I, line 27b c All other domestic foundations enter 2% of line 27b. Exempt foreign organizations enter 4% of Part I, line 12, column (b)		1	336.
2 Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only Others enter -0-)		2	0.
3 Add lines 1 and 2		3	336.
4 Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only Others enter -0-)		4	0.
5 **Tax based on investment income.** Subtract line 4 from line 3 If zero or less, enter -0-		5	336.
6 Credits/Payments:			
a 2009 estimated tax pmts and 2008 overpayment credited to 2009	6a		
b Exempt foreign organizations – tax withheld at source	6b		
c Tax paid with application for extension of time to file (Form 8868)	6c 0.		
d Backup withholding erroneously withheld	6d		
7 Total credits and payments Add lines 6a through 6d		7	0.
8 Enter any **penalty** for underpayment of estimated tax. Check here ☐ if Form 2220 is attached		8	
9 **Tax due.** If the total of lines 5 and 8 is more than line 7, enter **amount owed** ►		9	336.
10 **Overpayment.** If line 7 is more than the total of lines 5 and 8, enter the **amount overpaid** ►		10	0.
11 Enter the amount of line 10 to be **Credited to 2010 estimated tax** ►	**Refunded** ►	11	

Part VII-A Statements Regarding Activities

		Yes	No
1 a During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?	1a		X
b Did it spend more than $100 during the year (either directly or indirectly) for political purposes (see the instructions for definition)?	1b		X
*If the answer is 'Yes' to **1a** or **1b**, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities*			
c Did the foundation file **Form 1120-POL** for this year?	1c		X
d Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year: **(1)** On the foundation ► $ ________ **(2)** On foundation managers ► $ ________			
e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers ► $ ________			
2 Has the foundation engaged in any activities that have not previously been reported to the IRS?	2		X
If 'Yes,' attach a detailed description of the activities			
3 Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? *If 'Yes,' attach a conformed copy of the changes*	3		X
4a Did the foundation have unrelated business gross income of $1,000 or more during the year?	4a		X
b If 'Yes,' has it filed a tax return on **Form 990-T** for this year?	4b		X
5 Was there a liquidation, termination, dissolution, or substantial contraction during the year?	5		X
If 'Yes,' attach the statement required by General Instruction T			
6 Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either: • By language in the governing instrument, or • By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?	6	X	
7 Did the foundation have at least $5,000 in assets at any time during the year? *If 'Yes,' complete Part II, column (c), and Part XV*	7	X	
8a Enter the states to which the foundation reports or with which it is registered (see the instructions) ► TN - Tennessee			
b If the answer is 'Yes' to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by *General Instruction G? If 'No,' attach explanation*	8b	X	
9 Is the foundation claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 2009 or the taxable year beginning in 2009 (see instructions for Part XIV)? *If 'Yes,' complete Part XIV*	9		X
10 Did any persons become substantial contributors during the tax year? *If 'Yes,' attach a schedule listing their names and addresses*	10		X

Part VII-A Statements Regarding Activities Continued

		Line	Yes	No
11	At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If 'Yes', attach schedule (see instructions)	11		X
12	Did the foundation acquire a direct or indirect interest in any applicable insurance contract before August 17, 2008?	12		X
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application?	13	X	

Website address ► N/A

14 The books are in care of ► MICHAEL J. NACARATO, JR. Telephone no ► (615) 371-0030

Located at ► 2435 HIDDEN RIVER LANE FRANKLIN, TN ZIP + 4 ► 37069-6933

15 Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041 – Check here ► ☐

and enter the amount of tax-exempt interest received or accrued during the year ► 15

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

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

			Line	Yes	No
1a	During the year did the foundation (either directly or indirectly)				
	(1) Engage in the sale or exchange, or leasing of property with a disqualified person?	☐ Yes ☒ No			
	(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person?	☐ Yes ☒ No			
	(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person?	☐ Yes ☒ No			
	(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person?	☐ Yes ☒ No			
	(5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)?	☐ Yes ☒ No			
	(6) Agree to pay money or property to a government official? (**Exception.** Check 'No' if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days)	☐ Yes ☒ No			
b	If any answer is 'Yes' to 1a(1)-(6), did **any** of the acts fail to qualify under the exceptions described in Regulations section 53 4941(d)-3 or in a current notice regarding disaster assistance (see the instructions)?		1b		
	Organizations relying on a current notice regarding disaster assistance check here	► ☐			
c	Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2009?		1c		X
2	Taxes on failure to distribute income (section 4942) (does not apply for years the foundation was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5)):				
a	At the end of tax year 2009, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2009? If 'Yes,' list the years ► 20__ , 20__ , 20__ , 20__	☐ Yes ☒ No			
b	Are there any years listed in 2a for which the foundation is **not** applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to **all** years listed, answer 'No' and attach statement – see the instructions.)		2b		
c	If the provisions of section 4942(a)(2) are being applied to **any** of the years listed in 2a, list the years here. ► 20__ , 20__ , 20__ , 20__				
3a	Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year?	☐ Yes ☒ No			
b	If 'Yes,' did it have excess business holdings in 2009 as a result of **(1)** any purchase by the foundation or disqualified persons after May 26, 1969, **(2)** the lapse of the 5-year period (or longer period approved by the Commissioner under section 4943(c)(7)) to dispose of holdings acquired by gift or bequest, or **(3)** the lapse of the 10-, 15-, or 20-year first phase holding period? *(Use Schedule C, Form 4720, to determine if the foundation had excess business holdings in 2009)*		3b		
4a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?		4a		X
b	Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2009?		4b		X

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

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

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

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

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

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

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

b If any answer is 'Yes' to 5a(1)-(5), did **any** of the transactions fail to qualify under the exceptions described in Regulations section 53 4945 or in a current notice regarding disaster assistance (see instructions)? **5b**

Organizations relying on a current notice regarding disaster assistance check here ► ☐

c If the answer is 'Yes' to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant? ☐ Yes ☐ No

If 'Yes,' attach the statement required by Regulations section 53 4945-5(d)

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

b Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract? **6b** X

If 'Yes' to 6b, file Form 8870

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

b If yes, did the foundation receive any proceeds or have any net income attributable to the transaction? **7b**

Part VIII Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors

1 List all officers, directors, trustees, foundation managers and their compensation (see instructions).

(a) Name and address	(b) Title and average hours per week devoted to position	(c) Compensation (If not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
MICHAEL J. NACARATO, JR. 2435 HIDDEN RIVER LANE FRANKLIN TN 37069	PRESIDENT 5.00	0.	0.	0.
MICHAEL J. NACARATO, SR. 5217 APPLE MILL COURT BRENTWOOD TN 37027	DIRECTOR 1.00	0.	0.	0.
TERESA A. NACARATO 2435 HIDDEN RIVER LANE FRANKLIN TN 37069	SECRETARY 1.00	0.	0.	0.
MICHAEL J. NACARATO, III 2435 HIDDEN RIVER LANE FRANKLIN TN 37069	DIRECTOR 1.00	0.	0.	0.

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

(a) Name and address of each employee paid more than $50,000	(b) Title and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
NONE				
0				
0				
0				
0				

Total number of other employees paid over $50,000 ► None

Part VIII **Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors** *(continued)*

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

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

Part IX-A **Summary of Direct Charitable Activities**

List the foundation's four largest direct charitable activities during the tax year. Include relevant statistical information such as the number of organizations and other beneficiaries served, conferences convened, research papers produced, etc.	Expenses
1 PROVIDE DONATIONS TO VARIOUS NASHVILLE, TENNESSEE AREA CHARITIES RELATED TO CHILDREN'S SERVICES	789,262.
2 DIRECT SUPPORT TO NEEDY FAMILIES	7,000.
3	
4	

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

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2	Amount
1	
2	
All other program-related investments See instructions 3	
Total. Add lines 1 through 3 ►	

Part X Minimum Investment Return (All domestic foundations must complete this part. Foreign foundations, see instructions.)

1 Fair market value of assets not used (or held for use) directly in carrying out charitable, etc, purposes a Average monthly fair market value of securities		1a	240,658.
b Average of monthly cash balances		1b	670,210.
c Fair market value of all other assets (see instructions)		1c	0.
d Total (add lines 1a, b, and c)		1d	910,868.
e Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	1e		
2 Acquisition indebtedness applicable to line 1 assets		2	
3 Subtract line 2 from line 1d		3	910,868.
4 Cash deemed held for charitable activities Enter 1-1/2% of line 3 (for greater amount, see instructions)		4	13,663.
5 **Net value of noncharitable-use assets.** Subtract line 4 from line 3. Enter here and on Part V, line 4		5	897,205.
6 **Minimum investment return.** Enter 5% of line 5		6	44,860.

Part XI Distributable Amount (see instructions) (Section 4942(j)(3) and (j)(5) private operating foundations and certain foreign organizations check here ► ☐ and do not complete this part.)

1 Minimum investment return from Part X, line 6		1	44,860.
2a Tax on investment income for 2009 from Part VI, line 5	2a 336.		
b Income tax for 2009 (This does not include the tax from Part VI.)	2b		
c Add lines 2a and 2b		2c	336.
3 Distributable amount before adjustments Subtract line 2c from line 1		3	44,524.
4 Recoveries of amounts treated as qualifying distributions		4	
5 Add lines 3 and 4		5	44,524.
6 Deduction from distributable amount (see instructions)		6	
7 **Distributable amount** as adjusted Subtract line 6 from line 5. Enter here and on Part XIII, line 1		7	44,524.

Part XII Qualifying Distributions (see instructions)

1 Amounts paid (including administrative expenses) to accomplish charitable, etc, purposes: a Expenses, contributions, gifts, etc – total from Part I, column (d), line 26	1a	796,282.
b Program-related investments – total from Part IX-B	1b	
2 Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc, purposes	2	
3 Amounts set aside for specific charitable projects that satisfy the a Suitability test (prior IRS approval required)	3a	
b Cash distribution test (attach the required schedule)	3b	
4 **Qualifying distributions.** Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	4	796,282.
5 Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income Enter 1% of Part I, line 27b (see instructions)	5	0.
6 **Adjusted qualifying distributions.** Subtract line 5 from line 4	6	796,282.

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

Part XIII **Undistributed Income** (see instructions)

		(a) Corpus	(b) Years prior to 2008	(c) 2008	(d) 2009
1 Distributable amount for 2009 from Part XI, line 7					44,524.
2 Undistributed income, if any, as of the end of 2009					
a Enter amount for 2008 only				0.	
b Total for prior years 20___, 20___, 20___					
3 Excess distributions carryover, if any, to 2009					
a From 2004	0.				
b From 2005	0.				
c From 2006	0.				
d From 2007	15,210.				
e From 2008	0.				
f Total of lines 3a through e		15,210.			
4 Qualifying distributions for 2009 from Part XII, line 4 ► $ 796,282.					
a Applied to 2008, but not more than line 2a				0.	
b Applied to undistributed income of prior years (Election required – see instructions)			0.		
c Treated as distributions out of corpus (Election required – see instructions)		0.			
d Applied to 2009 distributable amount					44,524.
e Remaining amount distributed out of corpus		751,758.			
5 Excess distributions carryover applied to 2009 *(If an amount appears in column (d), the same amount must be shown in column (a).)*					
6 Enter the net total of each column as indicated below:					
a Corpus Add lines 3f, 4c, and 4e Subtract line 5		766,968.			
b Prior years' undistributed income Subtract line 4b from line 2b			0.		
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed					
d Subtract line 6c from line 6b Taxable amount – see instructions			0.		
e Undistributed income for 2008 Subtract line 4a from line 2a Taxable amount – see instructions				0.	
f Undistributed income for 2009 Subtract lines 4d and 5 from line 1 This amount must be distributed in 2010					0.
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (see instructions)					
8 Excess distributions carryover from 2004 not applied on line 5 or line 7 (see instructions)		0.			
9 Excess distributions carryover to 2010. Subtract lines 7 and 8 from line 6a		766,968.			
10 Analysis of line 9					
a Excess from 2005	0.				
b Excess from 2006	0.				
c Excess from 2007	15,210.				
d Excess from 2008	0.				
e Excess from 2009	751,758.				

Part XIV **Private Operating Foundations** (see instructions and Part VII-A, question 9) N/A

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

b Check box to indicate whether the foundation is a private operating foundation described in section ☐ 4942(j)(3) or ☐ 4942(j)(5)

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

Part XV **Supplementary Information (Complete this part only if the organization had $5,000 or more in assets at any time during the year – see instructions.)**

1 Information Regarding Foundation Managers:

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

MICHAEL J. NACARATO, JR.

b List any managers of the foundation who own 10% or more of the stock of a corporation (or an equally large portion of the ownership of a partnership or other entity) of which the foundation has a 10% or greater interest

NONE

2 Information Regarding Contribution, Grant, Gift, Loan, Scholarship, etc, Programs:

Check here ▶ [X] if the foundation only makes contributions to preselected charitable organizations and does not accept unsolicited requests for funds If the foundation makes gifts, grants, etc, (see instructions) to individuals or organizations under other conditions, complete items 2a, b, c, and d

a The name, address, and telephone number of the person to whom applications should be addressed:

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

c Any submission deadlines:

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

Part XV Supplementary Information (continued)

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

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
***a** Paid during the year*				
MCCAULEY HIGH SCHOOL 6000 OAKWOOD AVENUE CINCINNATI OH 45224		PUBLIC	TO FURTHER EXEMPT PURPOSE	500.
BOYS & GIRLS CLUB OF MIDDLE TENN 624 GRASSMERE PARK, SUITE 8 NASHVILLE TN 37211		PUBLIC	TO FURTHER EXEMPT PURPOSE	1,000.
GRACEWORKS MINISTRIES 104 SOUTHEAST PKWY, STE 100 FRANKLIN TN 37064		PUBLIC	TO FURTHER EXEMPT PURPOSE	1,000.
LEUKEMIA & LYMPHOMA SOCIETY 404 BNA DRIVE, STE 109 NASHVILLE TN 37217		PUBLIC	TO FURTHER EXEMPT PURPOSE	1,000.
CAMPUS FOR HUMAN DEVELOPMENT 705 DREXEL STREET NASHVILLE TN 37203		PUBLIC	TO FURTHER EXEMPT PURPOSE	746,062.
AMERICAN RED CROSS 2201 CHARLOTTE AVENUE NASHVILLE TN 37203		PUBLIC	TO FURTHER EXEMPT PURPOSE	3,500.
CUMBERLAND HEIGHTS P. O. BOX 90727 NASHVILLE TN 37209		PUBLIC	TO FURTHER EXEMPT PURPOSE	1,000.
TENN BAPTIST CHILDRENS HOME P. O. BOX 2206 BRENTWOOD TN 37024		PUBLIC	TO FURTHER EXEMPT PURPOSE	2,000.
SWEET SLEEP P. O. BOX 40486 NASHVILLE TN 37204		PUBLIC	TO FURTHER EXEMPT PURPOSE	500.
See Line 3a statement				39,700.
Total			► 3a	796,262.
***b** Approved for future payment*				
Total			► 3b	

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated	Unrelated business income		Excluded by section 512, 513, or 514		
	(a) Business code	(b) Amount	(c) Exclusion code	(d) Amount	(e) Related or exempt function income (see the instructions)
1 Program service revenue					
a					
b					
c					
d					
e					
f					
g Fees and contracts from government agencies					
2 Membership dues and assessments					
3 Interest on savings and temporary cash investments			14	14,693.	
4 Dividends and interest from securities			14	2,103.	
5 Net rental income or (loss) from real estate.					
a Debt-financed property					
b Not debt-financed property					
6 Net rental income or (loss) from personal property					
7 Other investment income					
8 Gain or (loss) from sales of assets other than inventory			18	-91,458.	
9 Net income or (loss) from special events					
10 Gross profit or (loss) from sales of inventory					
11 Other revenue:					
a					
b					
c					
d					
e					
12 Subtotal Add columns (b), (d), and (e)				-74,662.	

13 **Total.** Add line 12, columns (b), (d), and (e) 13 -74,662.

(See worksheet in the instructions for line 13 to verify calculations)

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

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

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

			Yes	No
1	Did the organization directly or indirectly engage in any of the following with any other organization described in section 501(c) of the Code (other than section 501(c)(3) organizations) or in section 527, relating to political organizations?			
a	Transfers from the reporting foundation to a noncharitable exempt organization of			
	(1) Cash	1 a (1)		X
	(2) Other assets	1 a (2)		X
b	Other transactions			
	(1) Sales of assets to a noncharitable exempt organization	1 b (1)		X
	(2) Purchases of assets from a noncharitable exempt organization	1 b (2)		X
	(3) Rental of facilities, equipment, or other assets	1 b (3)		X
	(4) Reimbursement arrangements	1 b (4)		X
	(5) Loans or loan guarantees	1 b (5)		X
	(6) Performance of services or membership or fundraising solicitations	1 b (6)		X
c	Sharing of facilities, equipment, mailing lists, other assets, or paid employees	1 c		X

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

(a) Line no	(b) Amount involved	(c) Name of noncharitable exempt organization	(d) Description of transfers, transactions, and sharing arrangements

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

b If 'Yes,' complete the following schedule

(a) Name of organization	(b) Type of organization	(c) Description of relationship

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 taxpayer or fiduciary) is based on all information of which preparer has any knowledge

▶ Teresa Nacarato | 11/14/2010 ▶ secretary

Signature of officer or trustee | Date | Title

Paid Preparer's Use Only			
Preparer's signature ▶ Larry J. Carter	Date 11/10/10	Check if self employed ▶ ☒	Preparer's Identifying number (See **Signature** in the instrs) P00034898
Firm's name (or yours if self employed), address, and ZIP code ▶ LARRY J. CARTER, CPA		EIN ▶	
2109 KEY DRIVE			
BRENTWOOD TN 37027		Phone no ▶ (615) 478-3059	

Schedule B
(Form 990, 990-EZ, or 990-PF)

Department of the Treasury
Internal Revenue Service

Schedule of Contributors

► **Attach to Form 990, 990-EZ, or 990-PF**

OMB No 1545 0047

2009

Name of the organization	Employer identification number
THE SHEPERDS FOUNDATION	62-1842982

Organization type (check one)·

Filers of:	**Section:**
Form 990 or 990-EZ	☐ 501(c)(____) (enter number) organization
	☐ 4947(a)(1) nonexempt charitable trust **not** treated as a private foundation
	☐ 527 political organization
Form 990-PF	☒ 501(c)(3) exempt private foundation
	☐ 4947(a)(1) nonexempt charitable trust treated as a private foundation
	☐ 501(c)(3) taxable private foundation

Check if your organization is covered by the **General Rule** or a **Special Rule**
Note: Only a section 501(c)(7), (8), or (10) organization can check boxes for both the General Rule and a Special Rule See instructions

General Rule –

☒ For an organization filing Form 990, 990-EZ, or 990-PF that received, during the year, $5,000 or more (in money or property) from any one contributor (Complete Parts I and II)

Special Rules –

☐ For a section 501(c)(3) organization filing Form 990 or 990-EZ, that met the 33-1/3% support test of the regulations under sections 509(a)(1)/170(b)(1)(A)(vi) and received from any one contributor, during the year, a contribution of the greater of **(1)** $5,000 or **(2)** 2% of the amount on (i) Form 990, Part VIII, line 1h or (ii) Form 990-EZ, line 1 Complete Parts I and II

☐ For a section 501(c)(7), (8), or (10) organization filing Form 990 or 990-EZ, that received from any one contributor, during the year, aggregate contributions of more than $1,000 for use *exclusively* for religious, charitable, scientific, literary, or educational purposes, or the prevention of cruelty to children or animals Complete Parts I, II, and III

☐ For a section 501(c)(7), (8), or (10) organization filing Form 990 or 990-EZ, that received from any one contributor, during the year, contributions for use *exclusively* for religious, charitable, etc, purposes, but these contributions did not aggregate to more than $1,000 If this box is checked, enter here the total contributions that were received during the year for an *exclusively* religious, charitable, etc, purpose Do not complete any of the parts unless the **General Rule** applies to this organization because it received nonexclusively religious, charitable, etc, contributions of $5,000 or more during the year ► $ ____________

Caution: An organization that is not covered by the General Rule and/or the Special Rules does not file Schedule B (Form 990, 990-EZ, or 990-PF) but it **must** answer 'No' on Part IV, line 2 of their Form 990, or check the box on line H of its Form 990-EZ, or on line 2 of its Form 990-PF, to certify that it does not meet the filing requirements of Schedule B (Form 990, 990-EZ, or 990-PF)

Name of organization: THE SHEPERDS FOUNDATION

Employer identification number: 62-1842982

Part I **Contributors** (see instructions)

(a) Number	(b) Name, address, and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
1	MICHAEL J. NACARATO, JR. 2435 HIDDEN RIVER LANE FRANKLIN TN 37069	$ 150,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
		$	Person [ ] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
		$	Person [ ] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
		$	Person [ ] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
		$	Person [ ] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
		$	Person [ ] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)

Form 990-PF, Page 1, Part I, Line 18
Line 18 Stmt

Taxes (see the instructions)	Rev/Exp Book	Net Inv Inc	Adj Net Inc	Charity Disb
U S TREASURY	268.	0.		
SEC OF STATE	20.	0.		20.
Total	288.	0.		20.

Form 990-PF, Page 11, Part XV, line 3a
Line 3a statement

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Person or Business Checkbox Amount
a Paid during the year				
PRESTON TAYLOR MINISTRIES 4014 INDIANA AVENUE NASHVILLE TN 37209		PUBLIC	TO FURTHER EXEMPT PURPOSE	Person or [ ] Business [X] 1,000.
MONROE HARDING CHILDRENS HOME 1120 GLENDALE LANE NASHVILLE TN 37204		PUBLIC	TO FURTHER EXEMPT PURPOSE	Person or [ ] Business [X] 2,000.
LITERACY CONNEXUS 4802 HIGHWAY 377 BENBROOK TX 76116		PUBLIC	TO FURTHER EXEMPT PURPOSE	Person or [ ] Business [X] 1,000.
BOOKS FROM BIRTH FDN 710 JAMES ROBERTSON PKWY NASHVILLE TN 37243		PUBLIC	TO FURTHER EXEMPT PURPOSE	Person or [ ] Business [X] 1,000.
DAYSTAR MINISTRY INT'L P. O. BOX 15115 SAVANNAH GA 31416		PUBLIC	TO FURTHER EXEMPT PURPOSE	Person or [ ] Business [X] 1,000.
PENCIL FOUNDATION 421 GREAT CIRCLE ROAD NASHVILLE TN 37228		PUBLIC	FURTHER THEIR EXEMPT PURPOSE	Person or [ ] Business [X] 500.
CENTERSTONE 230 VENTURE CIRCLE NASHVILLE TN 37228		PUBLIC	FURTHER THEIR EXEMPT PURPOSE	Person or [ ] Business [X] 1,000.
HOLY FAMILY CATHOLIC CHURCH 9100 CROCKETT ROAD BRENTWOOD TN 37027		PUBLIC	FURTHER THEIR EXEMPT PURPOSE	Person or [ ] Business [X] 11,000.
CHILD CARE ALLIANCE 402 ANDES DRIVE COLUMBIA TN 38401		PUBLIC	FURTHER THEIR EXEMPT PURPOSE	Person or [ ] Business [X] 1,000.
SECOND HARVEST FOOD BANK 331 GREAT CIRCLE ROAD NASHVILLE TN 37228		PUBLIC	FURTHER THEIR EXEMPT PURPOSE	Person or [ ] Business [X] 3,000.
FRIENDS OF CHILDRENS HOSPITAL 2301 VANDERBILT PLACE NASHVILLE TN 37240		PUBLIC	FURTHER THEIR EXEMPT PURPOSE	Person or [ ] Business [X] 200.

Form 990-PF, Page 11, Part XV, line 3a Continued
Line 3a statement

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Person or Business Checkbox Amount
a Paid during the year				
WORLD OUTREACH CHURCH 1921 NEW SALEM ROAD MURFREESBORO TN 37128		PUBLIC	FURTHER THEIR EXEMPT PURPOSE	Person or [ ] Business [X] 5,000.
SEXUAL ASSAULT CENTER 101 FRENCH LANDING DRIVE NASHVILLE TN 37228		PUBLIC	FURTHER THEIR EXEMPT PURPOSE	Person or [ ] Business [X] 1,000.
OUR KIDS 1804 HAYES STREET NASHVILLE TN 37203		PUBLIC	FURTHER THEIR EXEMPT PURPOSE	Person or [ ] Business [X] 1,000.
BIG BROTHERS BIG SISTERS ONE VANTAGE WAY, SUITE C250 NASHVILLE TN 37228		PUBLIC	FURTHER THEIR EXEMPT PURPOSE	Person or [ ] Business [X] 1,000.
ST LUKE'S COMMUNITY HOUSE 5601 NEW YORK AVENUE NASHVILLE TN 37209		PUBLIC	FURTHER THEIR EXEMPT PURPOSE	Person or [ ] Business [X] 2,000.
DUKES FAMILY DAVIDSON COUNTY NASHVILLE TN 37209	NONE	NONE	DIRECT SUPPORT	Person or [X] Business [ ] 5,000.
HAYES FAMILY DAVIDSON COUNTY NASHVILLE TN 37209	NONE	NONE	DIRECT SUPPORT	Person or [X] Business [ ] 2,000.
Total				39,700.

Form 990-PF, Page 1, Part I
Line 16c - Other Professional Fees

Name of Provider	Type of Service Provided	Amount Paid Per Books	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
R W BAIRD	INVESTMENT	1,178.			
Total		1,178.			

Form 990-PF, Page 2, Part II, Line 10c
L- 10c Stmt

Line 10c - Investments - Corporate Bonds:	End of Year Book Value	End of Year Fair Market Value
50000 GECC, 6.75%, DUE 11/15/14	50,000.	54,934.
30000 GECC, 5.50%, DUE 11/15/21	30,000.	28,067.
25000 JOHN HANCOCK LIFE, 5.5%, DUE 10/15/15	25,038.	25,260.
100000 WILLIAMSON CO, TN, 5.50%, DUE 4/1/30	99,508.	100,699.
Total	204,546.	208,960.

Form 990-PF, Page 2, Part II, Line 13
L-13 Stmt

Line 13 - Investments - Other:	End of Year Book Value	End of Year Fair Market Value
2575.733 SHS TEMPLETON GLOBAL BOND FUND	31,630.	32,815.
3032.598 SHS VANGUARD ST CORP BOND FUND	31,680.	32,115.
Total	63,310.	64,930.

Schedule of Realized Gains and Losses

2009 Tax Year

Prepared For:

8755-5187
THE SHEPERDS FOUNDATION INC
ATTN MICHAEL NACARATO JR
KCM LCG
2435 HIDDEN RIVER LN
FRANKLIN TN 37069-6933

Quantity	Name	Security	Open Date	Cost Amount	Adjusted Cost Amount	Trade Price	Close Date	Close Amt	Close Price	Realized	% Gain or Loss
Short											
115	AECOM TECH CORP	ACM	05/20/2008	3,667 06		31 8875	02/24/2009	2,449 48	21 3000	-1,217 58	-33 20
70	AECOM TECH CORP	ACM	05/20/2008	2,232 12		31 8875	03/17/2009	1,787 37	25 5340	-444 75	-19 93
40	ABBOTT LABORATORIES	ABT	11/07/2008	2,217 09		55 4272	03/17/2009	1,940 38	48 5101	-276 71	-12 48
75	ABBOTT LABORATORIES	ABT	10/24/2008	4,008 63		53 4484	03/17/2009	3,638 24	48 5101	-370 39	-9 24
135	ACCENTURE LTD BERMUDA A	G1150G-11-1	02/03/2009	4,413 77		32 6946	03/17/2009	4,064 77	30 1096	-349 00	-7 91
90	ACCENTURE LTD BERMUDA A	G1150G-11-1	03/11/2009	2,601 90		28 9100	03/17/2009	2,709 86	30 1096	107 96	4 15
80	AFFILIATED COMPUTR SVC A	008190-10-0	02/11/2009	3,796 98		47 4622	03/17/2009	3,778 38	47 2301	-18 60	-0 49
60	AMGEN INC	AMGN	09/11/2008	3,790 79		63 1797	01/27/2009	3,187 59	53 1269	-603 20	-15 91
40	AMGEN INC	AMGN	09/11/2008	2,527 18		63 1797	02/27/2009	2,002 99	50 0752	-524 19	-20 74
95	AUTOMATIC DATA PROC INC	ADP	03/12/2009	3,279 99		34 5262	03/17/2009	3,430 43	36 1100	150 44	4 59
110	B M C SOFTWARE INC	BMC	03/12/2009	3,163 39		28 7581	03/17/2009	3,228 49	29 3501	65 10	2 06
65	BANK OF NEW YORK MELLON	BK	12/03/2008	1,867 32		28 7280	01/21/2009	1,451 30	22 3278	-416 02	-22 28
60	BARD C R INC	BCR	02/20/2009	5,161 39		86 0231	03/17/2009	4,499 98	75 0001	-661 41	-12 81
60	BAXTER INTL INC	BAX	01/09/2009	3,263 23		54 3872	03/17/2009	3,110 17	51 8364	-153 06	-4 69
50	BECTON DICKINSON COMPANY	BDX	08/05/2008	4,169 68		83 3935	01/16/2009	3,622 66	72 4537	-547 02	-13 12
25	BECTON DICKINSON COMPANY	BDX	08/05/2008	2,084 84		83 3935	01/23/2009	1,773 82	70 9533	-311 02	-14 92
25	BECTON DICKINSON COMPANY	BDX	08/05/2008	2,084 83		83 3935	02/18/2009	1,742 49	69 7000	-342 34	-16 42
50	BIOGEN IDEC INC	BIIB	12/05/2008	2,208 51		44 1702	01/28/2009	2,457 42	49 1488	248 91	11 27
50	BIOGEN IDEC INC	BIIB	12/05/2008	2,208 51		44 1702	02/26/2009	2,505 79	50 1162	297 28	13 46
15	BLACKROCK INC	BLK	02/06/2009	1,816 79		121 1186	02/20/2009	1,502 80	100 1875	-313 99	-17 28
15	BLACKROCK INC	BLK	02/06/2009	1,816 77		121 1186	03/17/2009	1,555 33	103 6892	-261 44	-14 39
125	CAMERON INTL CORP	CAM	03/20/2008	4,844 05		38 7524	03/17/2009	2,703 74	21 6300	-2 140 31	-44 18
70	CERNER CORP	CERN	08/27/2008	3,289 06		46 9865	01/23/2009	2,477 55	35 3938	-811 51	-24 67
70	CERNER CORP	CERN	08/27/2008	3,289 05		46 9865	03/17/2009	3,014 60	43 0660	-274 45	-8 34
100	CHICAGO BRDG&IRON NY REG	CBI	03/31/2008	4,003 65		40 0366	02/24/2009	726 58	7 2659	-3 277 07	-81 85
85	CHICAGO BRDG&IRON NY REG	CBI	05/02/2008	3,325 85		39 1277	02/24/2009	617 60	7 2659	-2 708 25	-81 43
5	COLGATEPALMOLIVE COMPANY	CL	10/15/2008	305 12		61 0253	02/20/2009	298 12	59 6253	-7 00	-2 29
30	COLGATEPALMOLIVE COMPANY	CL	10/10/2008	1,803 45		60 1149	02/20/2009	1,788 75	59 6253	-14 70	-0 82
45	COLGATEPALMOLIVE COMPANY	CL	10/10/2008	2,705 17		60 1149	03/17/2009	2,632 93	58 5100	-72 24	-2 67
75	CONOCOPHILLIPS	COP	09/10/2008	5,382 71		71 7695	03/17/2009	2,790 74	37 2100	-2,591 97	-48 15

Schedule of Realized Gains and Losses

2009 Tax Year

Prepared For:
8755-5187
THE SHEPERDS FOUNDATION INC
ATTN MICHAEL NACARATO JR
KCM LCG

Quantity	Name	Security	Open Date	Cost Amount	Adjusted Cost Amount	Trade Price	Close Date	Close Amt	Close Price	Realized	% Gain or Loss
Short - *Continued*											
65	COSTCO WHOLESALE CORP	COST	10/01/2008	4,196 80		64 5661	02/13/2009	2,840 00	43 6926	-1,356 80	-32 33
35	COSTCO WHOLESALE CORP	COST	10/01/2008	2,259 81		64 5661	03/04/2009	1,425 58	40 7311	-834 23	-36 92
50	COVIDIEN LTD	G2552X-10-8	10/07/2008	2,504 39		50 0878	01/08/2009	1,830 90	36 6184	-673 49	-26 89
165	DIRECTV GROUP INC	25459L-10-6	02/17/2009	3,622 18		21 9526	03/17/2009	3,528 13	21 3827	-94 05	-2 60
55	EOG RESOURCES INC	EOG	11/17/2008	4,532 92		82 4168	03/17/2009	3,413 28	62 0600	-1,119 64	-24 70
65	FLOWSERVE CORP	FLS	02/05/2009	3,620 51		55 7002	03/17/2009	3,524 92	54 2300	-95 59	-2 64
35	FLOWSERVE CORP	FLS	03/10/2009	1,737 62		49 6462	03/17/2009	1,898 04	54 2300	160 42	9 23
45	FLUOR CORP NEW	FLR	02/05/2009	1,778 40		39 5199	03/17/2009	1,718 54	38 1900	-59 86	-3 37
35	GENENTECH INC NEW	368710-40-6	01/08/2009	2,980 78		85 1650	03/17/2009	3,282 62	93 7900	301 84	10 13
65	GENENTECH INC NEW	368710-40-6	11/12/2008	5,210 87		80 1672	03/17/2009	6,096 32	93 7900	885 45	16 99
45	GENZYME CORP	GENZ	10/06/2008	3,277 51		72 8335	02/27/2009	2,802 27	62 2730	-475 24	-14 50
35	GENZYME CORP	GENZ	10/06/2008	2,549 17		72 8335	03/17/2009	2,013 67	57 5340	-535 50	-21 01
45	GENZYME CORP	GENZ	12/04/2008	2,822 61		62 7247	03/17/2009	2,589 02	57 5340	-233 59	-8 28
30	GOLDMAN SACHS GROUP INC	GS	01/22/2009	2,160 27		72 0087	01/28/2009	2,576 98	85 9000	416 71	19 29
30	GOLDMAN SACHS GROUP INC	GS	01/22/2009	2,160 25		72 0087	03/17/2009	2,870 08	95 6700	709 83	32 86
65	GOODRICH CORP	GR	01/02/2009	2,535 25		39 0039	01/29/2009	2,509 25	38 6042	-26 00	-1 03
50	GOODRICH CORP	GR	12/02/2008	1,583 57		31 6713	01/29/2009	1,930 20	38 6042	346 63	21 89
95	GOODRICH CORP	GR	12/02/2008	3,008 77		31 6713	02/05/2009	3,809 07	40 0958	800 30	26 60
25	HEWLETT-PACKARD COMPANY	HPQ	05/30/2008	1,183 88		47 3550	02/20/2009	780 09	31 2037	-403 79	-34 11
155	HEWLETT-PACKARD COMPANY	HPQ	05/30/2008	7,340 02		47 3550	03/17/2009	4,525 99	29 2001	-2,814 03	-38 34
35	ITT EDUCATIONAL SVCS INC	ESI	03/02/2009	3,816 27		109 0363	03/17/2009	3,669 72	104 8500	-146 55	-3 84
115	ITT CORP	ITT	02/05/2009	5,203 58		45 2485	03/17/2009	4,320 53	37 5700	-883 05	-16 97
60	ITT CORP	ITT	02/13/2009	2,605 85		43 4308	03/17/2009	2,254 19	37 5700	-351 66	-13 50
170	INTEL CORP	INTC	10/24/2008	2,444 13		14 3772	02/20/2009	2,205 54	12 9739	-238 59	-9 76
115	INTEL CORP	INTC	10/24/2008	1,653 37		14 3772	03/17/2009	1,688 50	14 6827	35 13	2 12
35	INTL BUSINESS MACHS CORP	IBM	11/18/2008	2,799 24		79 9781	01/26/2009	3,230 69	92 3060	431 45	15 41
45	INTL BUSINESS MACHS CORP	IBM	11/18/2008	3,599 01		79 9781	02/03/2009	4,122 16	91 6042	523 15	14 54
45	INTL BUSINESS MACHS CORP	IBM	03/02/2009	4,043 53		89 8563	03/17/2009	4,112 18	91 3824	68 65	1 70
65	INTL BUSINESS MACHS CORP	IBM	02/24/2009	5,553 76		85 4425	03/17/2009	5,939 83	91 3824	386 07	6 95
20	JPMORGAN CHASE & COMPANY	JPM	03/28/2008	874 16		43 7081	03/04/2009	378 62	18 9314	-495 54	-56 69
70	JPMORGAN CHASE & COMPANY	JPM	10/21/2008	2,839 61		40 5658	03/04/2009	1,325 20	18 9314	-1 514 41	-53 33
75	JACOBS ENGINEERNG GROUP	JEC	01/24/2008	5,861 01		78 1469	01/06/2009	3,915 60	52 2084	-1,945 41	-33 19

Schedule of Realized Gains and Losses

2009 Tax Year

Prepared For:
8755-5187
THE SHEPERDS FOUNDATION INC
ATTN MICHAEL NACARATO JR
KCM LCG

Quantity	Name	Security	Open Date	Cost Amount	Adjusted Cost Amount	Trade Price	Close Date	Close Amt	Close Price	Realized	% Gain or Loss
Short - *Continued*											
40	JOHNSON & JOHNSON	JNJ	08/22/2008	2,850 40		71 2600	02/12/2009	2,272 38	56 8100	-578 02	-20 28
10	JOHNSON & JOHNSON	JNJ	04/22/2008	666 22		66 6213	02/12/2009	568 10	56 8100	-98 12	-14 73
35	JOHNSON & JOHNSON	JNJ	04/22/2008	2,331 75		66 6213	02/26/2009	1,878 26	53 6652	-453 49	-19 45
75	JOHNSON & JOHNSON	JNJ	04/22/2008	4,996 59		66 6213	03/17/2009	3,759 73	50 1301	-1,236 86	-24 75
25	L3 COMMUNICATIONS HLDGS	LLL	07/08/2008	2,313 85		92 5537	02/20/2009	1,887 70	75 5084	-426 15	-18 42
30	L3 COMMUNICATIONS HLDGS	LLL	07/08/2008	2,776 61		92 5537	03/09/2009	1,737 67	57 9226	-1,038 94	-37 42
25	L3 COMMUNICATIONS HLDGS	LLL	07/08/2008	2,313 84		92 5537	03/10/2009	1,433 49	57 3401	-880 35	-38 05
35	LABORATORY CORP OF AMER	LH	11/06/2008	2,170 13		62 0036	03/17/2009	2,017 04	57 6301	-153 09	-7 05
155	LAZARD LTD SHARES A	LAZ	03/04/2009	3,719 05	3,719 05	23 9939	03/17/2009	4,150 58	26 7781	431 53	11 60
85	LOWES COMPANIES INC	LOW	01/26/2009	1,754 40		20 6400	03/17/2009	1,373 60	16 1601	-380 80	-21 71
215	LOWES COMPANIES INC	LOW	01/15/2009	4,390 99		20 4232	03/17/2009	3,474 40	16 1601	-916 59	-20 87
90	MCDONALDS CORP	MCD	10/16/2008	4,786 38		53 1820	03/17/2009	4,731 28	52 5701	-55 10	-1 15
55	MEDCO HEALTH SOLUTIONS	MHS	07/29/2008	2,641 13		48 0207	02/26/2009	2,351 48	42 7545	-289 65	-10 97
95	MEDCO HEALTH SOLUTIONS	MHS	07/11/2008	4,480 91		47 1674	02/26/2009	4,061 66	42 7545	-419 25	-9 36
120	MEDCO HEALTH SOLUTIONS	MHS	07/11/2008	5,660 08		47 1674	03/17/2009	4,904 38	40 8701	-755 70	-13 35
275	MICROSOFT CORP	MSFT	10/21/2008	6,677 19		24 2807	03/17/2009	4,568 21	16 6118	-2,108 98	-31 58
110	MICROSOFT CORP	MSFT	01/26/2009	1,950 30		17 7300	03/17/2009	1,827 29	16 6118	-123 01	-6 31
45	MOLSON COORS BREWNG CL B	TAP	12/26/2008	2,115 47		47 0104	03/17/2009	1,416 14	31 4700	-699 33	-33 06
110	MOLSON COORS BREWNG CL B	TAP	11/20/2008	4,908 31		44 6210	03/17/2009	3,461 68	31 4700	-1,446 63	-29 47
40	MONSANTO COMPANY NEW	MON	11/28/2008	3,114 88		77 8720	03/17/2009	3,298 38	82 4600	183 50	5 89
20	MONSANTO COMPANY NEW	MON	03/10/2009	1,544 00		77 1998	03/17/2009	1,649 19	82 4600	105 19	6 81
60	MONSANTO COMPANY NEW	MON	11/24/2008	4,267 00		71 1166	03/17/2009	4,947 57	82 4600	680 57	15 95
120	MORGAN STANLEY	MS	02/24/2009	2,569 61		21 4134	03/17/2009	2,733 38	22 7783	163 77	6 37
140	MORGAN STANLEY	MS	03/10/2009	2,658 70		18 9907	03/17/2009	3,188 95	22 7783	530 25	19 94
55	OCCIDENTAL PETRO CORP	OXY	03/17/2009	3,027 87		55 0522	03/17/2009	3,026 07	55 0200	-1 80	-0 06
15	OCCIDENTAL PETRO CORP	OXY	02/25/2009	761 92		50 7946	03/17/2009	825 30	55 0200	63 38	8 32
55	OCCIDENTAL PETRO CORP	OXY	02/25/2009	2,793 70		50 7946	03/18/2009	2,955 68	53 7400	161 98	5 80
125	PEPSICO INC	PEP	12/15/2008	6,518 95		52 1516	03/17/2009	6,098 72	48 7901	-420 23	-6 45
95	PEPSICO INC	PEP	01/16/2009	4,844 15		50 9910	03/17/2009	4,635 03	48 7901	-209 12	-4 32
65	PRICE T ROWE GROUP INC	TROW	02/06/2009	1,826 52		28 1002	02/20/2009	1,535 26	23 6195	-291 26	-15 95
65	PRICE T ROWE GROUP INC	TROW	02/06/2009	1,826 51		28 1002	02/23/2009	1,517 36	23 3442	-309 15	-16 93
75	PROCTER & GAMBLE COMPANY	PG	09/16/2008	5,407 00		72 0932	02/02/2009	3,969 20	52 9230	-1 437 80	-26 59

Schedule of Realized Gains and Losses

2009 Tax Year

Prepared For:
8755-5187
THE SHEPERDS FOUNDATION INC
ATTN MICHAEL NACARATO JR
KCM LCG

Quantity	Name	Security	Open Date	Cost Amount	Adjusted Cost Amount	Trade Price	Close Date	Close Amt	Close Price	Realized	% Gain or Loss
Short - *Continued*											
30	PROCTER & GAMBLE COMPANY	PG	09/16/2008	2,162 79		72 0932	03/17/2009	1,433 39	47 7800	-729 40	-33 72
105	PROCTER & GAMBLE COMPANY	PG	09/26/2008	7,228 10		68 8390	03/17/2009	5,016 88	47 7800	-2,211 22	-30 59
75	PRUDENTIAL FINL INC	PRU	12/16/2008	2,165 16		28 8688	01/06/2009	2,510 25	33 4702	345 09	15 94
75	PRUDENTIAL FINL INC	PRU	12/16/2008	2,165 16		28 8688	02/17/2009	1,728 91	23 0523	-436 25	-20 15
245	QIAGEN NV REG SHARES	QGEN	02/12/2009	4,394 34		17 9361	03/17/2009	3,856 76	15 7420	-537 58	-12 23
50	QUALCOMM INC	QCOM	03/17/2009	1,816 78		36 3355	03/17/2009	1,833 62	36 6727	16 84	0 93
75	QUALCOMM INC	QCOM	02/02/2009	2,603 28		34 7104	03/17/2009	2,750 43	36 6727	147 15	5 65
80	QUALCOMM INC	QCOM	12/15/2008	2,690 69		33 6336	03/17/2009	2,933 80	36 6727	243 11	9 04
50	QUALCOMM INC	QCOM	12/15/2008	1,681 68		33 6336	03/18/2009	1,862 48	37 2500	180 80	10 75
85	SOUTHWESTERN ENERGY CO	SWN	03/17/2009	2,543 16		29 9195	03/17/2009	2,548 47	29 9822	5 31	0 21
35	SOUTHWESTERN ENERGY CO	SWN	03/12/2009	952 07		27 2020	03/17/2009	1,049 37	29 9822	97 30	10 22
85	SOUTHWESTERN ENERGY CO	SWN	03/12/2009	2,312 17		27 2020	03/18/2009	2,506 64	29 4901	194 47	8 41
250	TJX COMPANIES INC NEW	TJX	06/25/2008	8,262 08		33 0483	03/17/2009	6,119 96	24 4800	-2,142 12	-25 93
80	TJX COMPANIES INC NEW	TJX	11/26/2008	1,804 22		22 5527	03/17/2009	1,958 39	24 4800	154 17	8 54
115	THERMO FISHER SCIENTIFIC	TMO	01/27/2009	4,166 98		36 2346	03/17/2009	4,066 81	35 3637	-100 17	-2 40
110	3M CO	MMM	11/21/2008	6,380 73		58 0066	02/03/2009	5,575 63	50 6879	-805 10	-12 62
30	TRANSOCEAN LTD ZUG	RIG	11/11/2008	2,279 43		75 9809	03/17/2009	1,724 99	57 5001	-554 44	-24 32
85	TRANSOCEAN LTD ZUG	RIG	11/24/2008	5,166 07		60 7773	03/17/2009	4,887 48	57 5001	-278 59	-5 39
130	URS CORP NEW	URS	02/09/2009	4,807 92		36 9840	03/17/2009	5,199 00	39 9925	391 08	8 13
100	VARIAN MED SYS INC	VAR	11/11/2008	4,304 77		43 0477	01/20/2009	3,478 73	34 7875	-826 04	-19 19
60	VISA INC CLASS A	V	02/04/2009	2,991 71		49 8619	03/17/2009	3,197 98	53 3000	206 27	6 89
65	WAL-MART STORES INC	WMT	03/05/2009	3,245 04		49 9237	03/17/2009	3,231 12	49 7100	-13 92	-0 43
90	WAL-MART STORES INC	WMT	02/27/2009	4,492 10		49 9122	03/17/2009	4,473 88	49 7100	-18 22	-0 41
70	WELLS FARGO & CO NEW	WFC	11/13/2008	1,841 79		26 3114	02/20/2009	675 24	9 6465	-1 166 55	-63 34
25	WELLS FARGO & CO NEW	WFC	01/30/2009	479 15		19 1657	02/20/2009	241 17	9 6465	-237 98	-49 67
90	WELLS FARGO & CO NEW	WFC	01/30/2009	1,724 91		19 1657	03/04/2009	827 42	9 1937	-897 49	-52 03
145	XTO ENERGY INC	98385X-10-6	12/23/2008	5,054 13		34 8561	03/12/2009	4,223 81	29 1299	-830 32	-16 43
				388,068.80	**3,719.05**			**338,785.83**		**-49,282.97**	
Long											
70	APPLE INC	AAPL	03/04/2008	8,559 35		122 2766	03/17/2009	6,827 07	97 5301	-1,732 28	-20 24
90	BAXTER INTL INC	BAX	11/05/2007	5,300 10		58 8900	03/17/2009	4,665 24	51 8364	-634 86	-11 98

Schedule of Realized Gains and Losses

2009 Tax Year

Prepared For:
8755-5187
THE SHEPERDS FOUNDATION INC
ATTN MICHAEL NACARATO JR
KCM LCG

Quantity	Name	Security	Open Date	Cost Amount	Adjusted Cost Amount	Trade Price	Close Date	Close Amt	Close Price	Realized	% Gain or Loss
Long - *Continued*											
190	CVS CAREMARK CORP	CVS	11/05/2007	7,873 60		41 4400	02/11/2009	5,183 72	27 2829	-2,689 88	-34 16
225	CVS CAREMARK CORP	CVS	11/05/2007	9,324 00		41 4400	03/17/2009	6,156 57	27 3627	-3,167 43	-33 97
60	CAMERON INTL CORP	CAM	11/05/2007	2,898 90		48 3150	03/17/2009	1,297 79	21 6300	-1,601 11	-55 23
35	CELGENE CORP	CELG	12/11/2007	1,766 12		50 4606	02/27/2009	1,601 14	45 7471	-164 98	-9 34
79	CELGENE CORP	CELG	12/11/2007	3,986 38		50 4606	03/17/2009	3,751 05	47 4820	-235 33	-5 90
65	CONOCOPHILLIPS	COP	11/05/2007	5,469 75		84 1500	03/17/2009	2,418 63	37 2100	-3,051 12	-55 78
75	COVANCE INC	CVD	11/05/2007	6,156 00		82 0800	03/17/2009	2,624 63	34 9953	-3,531 37	-57 36
60	HEWLETT-PACKARD COMPANY	HPQ	12/21/2007	3,097 34		51 6224	02/20/2009	1,872 20	31 2037	-1,225 14	-39 55
20	L3 COMMUNICATIONS HLDGS	LLL	11/05/2007	2,207 80		110 3900	02/20/2009	1,510 16	75 5084	-697 64	-31 60
60	LABORATORY CORP OF AMER	LH	11/05/2007	4,122 00		68 7000	01/23/2009	3,444 24	57 4043	-677 76	-16 44
25	LABORATORY CORP OF AMER	LH	11/05/2007	1,717 50		68 7000	02/26/2009	1,475 24	59 0101	-242 26	-14 11
66	LABORATORY CORP OF AMER	LH	11/05/2007	4,534 20		68 7000	03/17/2009	3,803 56	57 6301	-730 64	-16 11
75	TARGET CORP	TGT	11/05/2007	4,386 75		58 4900	02/20/2009	2,209 69	29 4628	-2,177 06	-49 63
180	TARGET CORP	TGT	11/05/2007	10,528 20		58 4900	03/17/2009	5,450 36	30 2800	-5,077 84	-48 23
145	THERMO FISHER SCIENTIFIC	TMO	11/05/2007	8,222 95		56 7100	03/17/2009	5,127 71	35 3637	-3,095 24	-37 64
50	UNITED TECHNOLOGIES CORP	UTX	11/05/2007	3,782 50		75 6500	01/21/2009	2,398 25	47 9653	-1,384 25	-36 60
55	UNITED TECHNOLOGIES CORP	UTX	11/05/2007	4,160 75		75 6500	02/20/2009	2,414 56	43 9015	-1,746 19	-41 97
				98,094 19	0.00			64,231.81		-33,862.38	

Schedule of Realized Gains and Losses

2009 Tax Year

Prepared For:
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THE SHEPERDS FOUNDATION INC
ATTN MICHAEL NACARATO JR
KCM LCG

Quantity	Name	Security	Open Date	Cost Amount	Adjusted Cost Amount	Trade Price	Close Date	Close Amt	Close Price	Realized	% Gain or Loss
Report Summary				486,162.99	3,719.05			403,017.64		-83,145.35	

Realized Gains or Losses

Short Term	-49,282 97
Long Term	-33,862 38

This valuation reflects estimated realized gains or losses for securities or assets previously owned by you, as indicated on our records, resulting from transactions processed through Robert W Baird and Co Incorporated or supplemental information supplied by you The securities or assets listed above may not represent realized gains or losses from actual holdings in your Baird account This report is being prepared for informational purposes and should not be used for tax purposes Information provided with respect to cost basis is derived from transactions in your account or information supplied by you The position with the highest purchase price has been liquidated first unless you have instructed us otherwise There is no guarantee as to the accuracy of the cost basis or the gain and loss information provided We suggest you review this information for accuracy and contact your Baird Financial Advisor with any questions