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Form **990**

# Return of Organization Exempt From Income Tax

OMB No 1545-0047

# 2008

Department of the Treasury  
Internal Revenue Service

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

Open to Public Inspection

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

**A** For the 2008 calendar year, or tax year beginning **JUL 1, 2008** and ending **JUN 30, 2009**

<b>B</b> Check if applicable <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Termination <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	Please use IRS label or print or type  See Specific Instructions	<b>C</b> Name of organization <b>COVENANT KNIGHTS SCHOOL</b>		<b>D</b> Employer identification number <b>75-2642656</b>
		Doing Business As		<b>E</b> Telephone number <b>214-358-5818</b>
		Number and street (or P O box if mail is not delivered to street address) Room/suite <b>7300 VALLEY VIEW LANE</b>		<b>G</b> Gross receipts \$ <b>4,024,865.</b>
		City or town, state or country, and ZIP + 4 <b>DALLAS, TX 75240</b>		<b>H(a)</b> Is this a group return for affiliates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <b>H(b)</b> Are all affiliates included? <input type="checkbox"/> Yes <input type="checkbox"/> No If "No," attach a list. (see instructions) <b>H(c)</b> Group exemption number ▶
<b>F</b> Name and address of principal officer: <b>3877 WALNUT HILL LANE, DALLAS, TX 75229</b>		<b>I</b> Tax-exempt status: <input checked="" type="checkbox"/> 501(c) (3) (insert no) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527		
<b>J</b> Website: ▶ <b>WWW.COVENANTDALLAS.COM</b>		<b>K</b> Type of organization <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other ▶		
		<b>L</b> Year of formation <b>1996</b>		<b>M</b> State of legal domicile <b>TX</b>

### Part I Summary

<b>Activities &amp; Governance</b>	<b>1</b> Briefly describe the organization's mission or most significant activities: <u>EQUIPPING STUDENTS WITH THE TOOLS NECESSARY TO PURSUE A LIFETIME OF LEARNING IN SERVICE OF JESUS</u>		
	<b>2</b> Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its assets		
<b>3</b> Number of voting members of the governing body (Part VI, line 1a)	<b>3</b>	<b>13</b>	
<b>4</b> Number of independent voting members of the governing body (Part VI, line 1b)	<b>4</b>	<b>12</b>	
<b>5</b> Total number of employees (Part V, line 2a)	<b>5</b>	<b>91</b>	
<b>6</b> Total number of volunteers (estimate if necessary)	<b>6</b>	<b>785</b>	
<b>7a</b> Total gross unrelated business revenue from Part VIII, line 12, column (C)	<b>7a</b>	<b>0.</b>	
<b>b</b> Net unrelated business taxable income from Form 990-T, line 34	<b>7b</b>	<b>0.</b>	
<b>Revenue</b>	<b>8</b> Contributions and grants (Part VIII, line 1h)	<b>Prior Year</b>	<b>Current Year</b>
	<b>9</b> Program service revenue (Part VIII, line 2g)	512,828.	394,624.
	<b>10</b> Investment income (Part VIII, column (A), lines 3, 4, and 7d)	2,677,195.	3,493,234.
	<b>11</b> Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	29,421.	32,987.
	<b>12</b> Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)	<155,946.>	<111,483.>
<b>Expenses</b>	<b>13</b> Grants and similar amounts paid (Part IX, column (A), lines 1-3)	3,063,498.	3,809,362.
	<b>14</b> Benefits paid to or for members (Part IX, column (A), line 4)		
	<b>15</b> Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)		
	<b>16a</b> Professional fundraising fees (Part IX, column (A), line 11e)	2,439,708.	2,953,046.
	<b>b</b> Total fundraising expenses (Part IX, column (D), line 25) ▶ <b>216,816.</b>		
<b>17</b> Other expenses (Part IX, column (A), lines 11a, 11b, 11c, 11d, 11f, 11g, 11h, 11i, 11j, 11k, 11l, 11m, 11n, 11o, 11p, 11q, 11r, 11s, 11t, 11u, 11v, 11w, 11x, 11y, 11z)	2,200,890.	2,134,812.	
<b>18</b> Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25)	4,640,598.	5,087,858.	
<b>19</b> Revenue less expenses. Subtract line 18 from line 12	<1,577,100.>	<1,278,496.>	
<b>Net Assets or Fund Balances</b>	<b>20</b> Total assets (Part X, line 16)	<b>Beginning of Year</b>	<b>End of Year</b>
	<b>21</b> Total liabilities (Part X, line 26)	31,534,587.	31,857,871.
	<b>22</b> Net assets or fund balances. Subtract line 21 from line 20	24,063,827.	24,969,789.
		7,470,760.	6,888,082.

### Part II Signature Block

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

<b>Sign Here</b>		<b>Signature of officer</b>		<b>Date</b>	5/10/10	5/10/10
	James Wilson	Treasurer	CHAIRMAN			
<b>Paid Preparer's Use Only</b>	<b>Preparer's signature</b>	<b>Date</b>	<b>Check if self-employed</b>	<b>Preparer's identifying number</b> (see instructions)		
	David B. Epperson, CPA	5/5/10	<input type="checkbox"/>			
	<b>Firm's name</b> (or yours if self-employed), address, and ZIP + 4	<b>EIN</b>	<b>Phone no</b> ▶ (214) 922-9727			
	SAVILLE DODGEN & COMPANY					
	700 N. PEARL STREET, SUITE 1100					
	DALLAS, TEXAS 75201					

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

SCANNED JUL 12 2010

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11

Part III Statement of Program Service Accomplishments (see instructions)

1 Briefly describe the organization's mission

THE COVENANT SCHOOL EXISTS TO GLORIFY GOD BY EQUIPPING STUDENTS WITH THE TOOLS NECESSARY TO PURSUE A LIFETIME OF LEARNING SO THAT THEY MAY DISCERN, REASON, AND DEFEND TRUTH IN SERVICE TO OUR LORD, JESUS CHRIST.

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

Yes No

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

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

Yes No

If "Yes", describe these changes on Schedule O

4 Describe the exempt purpose achievements for each of the organization's three largest program services by expenses. Section 501(c)(3) and 501(c)(4) organizations and section 4947(a)(1) trusts are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported

4a (Code ) (Expenses \$ 4,264,133. including grants of \$ ) (Revenue \$ 3,810,911. ) COVENANT KNIGHT SCHOOL BEGAN THE YEAR WITH 390 STUDENTS. A CURRICULUM AND COURSE OF STUDY WAS CONTINUED FOR GRADES K THROUGH 12, INCLUDING REGULAR GRADING AND TESTING PERIODS.

4b (Code ) (Expenses \$ including grants of \$ ) (Revenue \$ )

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

4d Other program services (Describe in Schedule O ) (Expenses \$ including grants of \$ ) (Revenue \$ )

4e Total program service expenses \$ 4,264,133. (Must equal Part IX, Line 25, column (B))

**Part IV Checklist of Required Schedules**

	Yes	No
1 Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? <i>If "Yes," complete Schedule A</i>	X	
2 Is the organization required to complete Schedule B, Schedule of Contributors?	X	
3 Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? <i>If "Yes," complete Schedule C, Part I</i>		X
4 <b>Section 501(c)(3) organizations.</b> Did the organization engage in lobbying activities? <i>If "Yes," complete Schedule C, Part II</i>		X
5 <b>Section 501(c)(4), 501(c)(5), and 501(c)(6) organizations.</b> Is the organization subject to the section 6033(e) notice and reporting requirement and proxy tax? <i>If "Yes," complete Schedule C, Part III</i>		
6 Did the organization maintain any donor advised funds or any accounts where donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? <i>If "Yes," complete Schedule D, Part I</i>		X
7 Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? <i>If "Yes," complete Schedule D, Part II</i>		X
8 Did the organization maintain collections of works of art, historical treasures, or other similar assets? <i>If "Yes," complete Schedule D, Part III</i>		X
9 Did the organization report an amount in Part X, line 21, serve as a custodian for amounts not listed in Part X, or provide credit counseling, debt management, credit repair, or debt negotiation services? <i>If "Yes," complete Schedule D, Part IV</i>		X
10 Did the organization hold assets in term, permanent, or quasi-endowments? <i>If "Yes," complete Schedule D, Part V</i>		X
11 Did the organization report an amount in Part X, lines 10, 12, 13, 15, or 25? <i>If "Yes," complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable</i>	X	
12 Did the organization receive an audited financial statement for the year for which it is completing this return that was prepared in accordance with GAAP? <i>If "Yes," complete Schedule D, Parts XI, XII, and XIII</i>	X	
13 Is the organization a school as described in section 170(b)(1)(A)(ii)? <i>If "Yes," complete Schedule E</i>	X	
14a Did the organization maintain an office, employees, or agents outside of the U S ?		X
b Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, and program service activities outside the U S ? <i>If "Yes," complete Schedule F, Part I</i>		X
15 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or assistance to any organization or entity located outside the United States? <i>If "Yes," complete Schedule F, Part II</i>		X
16 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or assistance to individuals located outside the United States? <i>If "Yes," complete Schedule F, Part III</i>		X
17 Did the organization report more than \$15,000 on Part IX, column (A), line 11e? <i>If "Yes," complete Schedule G, Part I</i>		X
18 Did the organization report more than \$15,000 total on Part VIII, lines 1c and 8a? <i>If "Yes," complete Schedule G, Part II</i>		X
19 Did the organization report more than \$15,000 on Part VIII, line 9a? <i>If "Yes," complete Schedule G, Part III</i>		X
20 Did the organization operate one or more hospitals? <i>If "Yes," complete Schedule H</i>		X
21 Did the organization report more than \$5,000 on Part IX, column (A), line 1? <i>If "Yes," complete Schedule I, Parts I and II</i>		X
22 Did the organization report more than \$5,000 on Part IX, column (A), line 2? <i>If "Yes," complete Schedule I, Parts I and III</i>		X
23 Did the organization answer "Yes" to Part VII, Section A, questions 3, 4, or 5? <i>If "Yes," complete Schedule J</i>		X
24a Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? <i>If "Yes," answer questions 24b-24d and complete Schedule K. If "No", go to question 25</i>		X
b Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?		
c Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?		
d Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?		
25a <b>Section 501(c)(3) and 501(c)(4) organizations.</b> Did the organization engage in an excess benefit transaction with a disqualified person during the year? <i>If "Yes," complete Schedule L, Part I</i>		X
b Did the organization become aware that it had engaged in an excess benefit transaction with a disqualified person from a prior year? <i>If "Yes," complete Schedule L, Part I</i>		X
26 Was a loan to or by a current or former officer, director, trustee, key employee, highly compensated employee, or disqualified person outstanding as of the end of the organization's tax year? <i>If "Yes," complete Schedule L, Part II</i>	X	
27 Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, or substantial contributor, or to a person related to such an individual? <i>If "Yes," complete Schedule L, Part III</i>		X

**Part IV Checklist of Required Schedules** (continued)

	Yes	No
28 During the tax year, did any person who is a current or former officer, director, trustee, or key employee		
a Have a direct business relationship with the organization (other than as an officer, director, trustee, or employee), or an indirect business relationship through ownership of more than 35% in another entity (individually or collectively with other person(s) listed in Part VII, Section A)? <i>If "Yes," complete Schedule L, Part IV</i>	X	
b Have a family member who had a direct or indirect business relationship with the organization? <i>If "Yes," complete Schedule L, Part IV</i>	X	
c Serve as an officer, director, trustee, key employee, partner, or member of an entity (or a shareholder of a professional corporation) doing business with the organization? <i>If "Yes," complete Schedule L, Part IV</i>		X
29 Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i>	X	
30 Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M</i>		X
31 Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i>		X
32 Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If "Yes," complete Schedule N, Part II</i>		X
33 Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? <i>If "Yes," complete Schedule R, Part I</i>		X
34 Was the organization related to any tax-exempt or taxable entity? <i>If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1</i>	X	
35 Is any related organization a controlled entity within the meaning of section 512(b)(13)? <i>If "Yes," complete Schedule R, Part V, line 2</i>		X
36 <b>Section 501(c)(3) organizations.</b> Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2</i>		X
37 Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? <i>If "Yes," complete Schedule R, Part VI</i>		X

**Part V Statements Regarding Other IRS Filings and Tax Compliance**

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

**Part VI Governance, Management, and Disclosure** (Sections A, B, and C request information about policies not required by the Internal Revenue Code)

**Section A. Governing Body and Management**

		Yes	No
<i>For each "Yes" response to lines 2-7b below, and for a "No" response to lines 8 or 9b below, describe the circumstances, processes, or changes in Schedule O. See instructions.</i>			
<b>1a</b>	Enter the number of voting members of the governing body		13
<b>1b</b>	Enter the number of voting members that are independent		12
<b>2</b>	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?		X
<b>3</b>	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person?		X
<b>4</b>	Did the organization make any significant changes to its organizational documents since the prior Form 990 was filed?		X
<b>5</b>	Did the organization become aware during the year of a material diversion of the organization's assets?		X
<b>6</b>	Does the organization have members or stockholders?		X
<b>7a</b>	Does the organization have members, stockholders, or other persons who may elect one or more members of the governing body?		X
<b>7b</b>	Are any decisions of the governing body subject to approval by members, stockholders, or other persons?		X
<b>8</b>	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:		
<b>8a</b>	a The governing body?	X	
<b>8b</b>	b Each committee with authority to act on behalf of the governing body?	X	
<b>9a</b>	Does the organization have local chapters, branches, or affiliates?		X
<b>9b</b>	b If "Yes," does the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with those of the organization?		
<b>10</b>	Was a copy of the Form 990 provided to the organization's governing body before it was filed? All organizations must describe in Schedule O the process, if any, the organization uses to review the Form 990	X	
<b>11</b>	Is there any officer, director or trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O		X

**Section B. Policies**

		Yes	No
<b>12a</b>	Does the organization have a written conflict of interest policy? If "No," go to line 13	X	
<b>12b</b>	b Are officers, directors or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	X	
<b>12c</b>	c Does the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this is done	X	
<b>13</b>	Does the organization have a written whistleblower policy?		X
<b>14</b>	Does the organization have a written document retention and destruction policy?		X
<b>15</b>	Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision:		
<b>15a</b>	a The organization's CEO, Executive Director, or top management official?	X	
<b>15b</b>	b Other officers or key employees of the organization? Describe the process in Schedule O (see instructions)	X	
<b>16a</b>	Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?		X
<b>16b</b>	b If "Yes," has the organization adopted a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and taken steps to safeguard the organization's exempt status with respect to such arrangements?		

**Section C. Disclosure**

- 17** List the states with which a copy of this Form 990 is required to be filed **NONE**
- 18** Section 6104 requires an organization to make its Forms 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection. Indicate how you make these available. Check all that apply.  
 Own website     Another's website     Upon request
- 19** Describe in Schedule O whether (and if so, how), the organization makes its governing documents, conflict of interest policy, and financial statements available to the public
- 20** State the name, physical address, and telephone number of the person who possesses the books and records of the organization **MS. LORI PRIOR - 214-358-5818**  
**7300 VALLEY VIEW LANE, DALLAS, TX 75240**

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

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

1a Complete this table for all persons required to be listed. Use Schedule J-2 if additional space is needed.

• List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation, and **current** key employees. Enter -0- in columns (D), (E), and (F) if no compensation was paid.

• List the organization's five **current** highest compensated employees (other than an officer, director, trustee, or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than \$100,000 from the organization and any related organizations.

• List all of the organization's **former** officers, key employees, and highest compensated employees who received more than \$100,000 of reportable compensation from the organization and any related organizations.

• List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than \$10,000 of reportable compensation from the organization and any related organizations.

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

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

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
W. GREGG HODGES SUSTAINING	2.00	X					0.	0.	0.	
GARY KOERNER SUSTAINING	5.00	X					0.	0.	0.	
TODD DOSHIER PRESIDENT	15.00	X					0.	0.	0.	
SANDS HARRIS MEMBER EMERITUS	0.00	X					0.	0.	0.	
WILLIE HORNBERGER TREASURER	1.00	X					0.	0.	0.	
BRIAN MOUNTJOY ATHLETICS	7.00	X					0.	0.	0.	
CINDY SIMMONS COMMUNICATIONS	2.00	X					0.	0.	0.	
BILL BUSH PERSONNEL	2.00	X					0.	0.	0.	
DOUG MOORE VICE-PRESIDENT	7.00	X					0.	0.	0.	
JIM WILSON FINANCE	3.00	X					0.	0.	0.	
MICHAEL TEASTER SECRETARY	2.00	X					0.	0.	0.	
DOUG MAXWELL ADMISSIONS	3.00	X					0.	0.	0.	
CRAIG LESLIE FINANCE	5.00	X					0.	0.	0.	
KYLE QUEAL HEADMASTER	65.00			X			94,880.	0.	0.	

**Part VII** Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees (continued)

(A) Name and title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
<b>1b Total</b>								94,880.	0.	0.

**2** Total number of individuals (including those in 1a) who received more than \$100,000 in reportable compensation from the organization 0

	Yes	No
<b>3</b> Did the organization list any former officer, director or trustee, key employee, or highest compensated employee on line 1a? If "Yes," complete Schedule J for such individual		X
<b>4</b> For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than \$150,000? If "Yes," complete Schedule J for such individual		X
<b>5</b> Did any person listed on line 1a receive or accrue compensation from any unrelated organization for services rendered to the organization? If "Yes," complete Schedule J for such person		X

**Section B. Independent Contractors**

**1** Complete this table for your five highest compensated independent contractors that received more than \$100,000 of compensation from the organization **NONE**

(A) Name and business address	(B) Description of services	(C) Compensation

**2** Total number of independent contractors (including those in 1) who received more than \$100,000 in compensation from the organization 0

Part VIII		Statement of Revenue		(A)	(B)	(C)	(D)	
				Total revenue	Related or exempt function revenue	Unrelated business revenue	Revenue excluded from tax under sections 512, 513, or 514	
Contributions, gifts, grants and other similar amounts	1 a	Federated campaigns	1a	394,624.				
	b	Membership dues	1b					
	c	Fundraising events	1c					
	d	Related organizations	1d					
	e	Government grants (contributions)	1e					
	f	All other contributions, gifts, grants, and similar amounts not included above	1f					
	g	Noncash contributions included in lines 1a-1f		100,652.				
	h	<b>Total.</b> Add lines 1a-1f			394,624.			
Program Service Revenue	2 a	TUITION & FEES	Business Code	611600	3408520.	3408520.		
	b	ACTIVITY FEES		611600	56,514.	56,514.		
	c	APPLICATION FEES		611600	28,200.	28,200.		
	d							
	e							
	f	All other program service revenue						
	g	<b>Total.</b> Add lines 2a-2f			3493234.			
Other Revenue	3	Investment income (including dividends, interest, and other similar amounts)			34,536.		34,536.	
	4	Income from investment of tax-exempt bond proceeds						
	5	Royalties						
	6 a	Gross Rents	(i) Real	(ii) Personal				
		b	Less rental expenses					
		c	Rental income or (loss)					
		d	Net rental income or (loss)					
	7 a	Gross amount from sales of assets other than inventory	(i) Securities	(ii) Other				
		b	Less cost or other basis and sales expenses		1,549.			
		c	Gain or (loss)		<1,549.>			
		d	Net gain or (loss)			<1,549.>	<1,549.>	
	8 a	Gross income from fundraising events (not including \$ 194,345. of contributions reported on line 1c) See Part IV, line 18	a		102471.			
		b	Less direct expenses	b	213954.			
		c	Net income or (loss) from fundraising events			<111,483.>	<111,483.>	
9 a	Gross income from gaming activities See Part IV, line 19	a						
	b	Less direct expenses	b					
	c	Net income or (loss) from gaming activities						
10 a	Gross sales of inventory, less returns and allowances	a						
	b	Less cost of goods sold	b					
	c	Net income or (loss) from sales of inventory						
Miscellaneous Revenue		Business Code						
11 a								
	b							
	c							
	d	All other revenue						
	e	<b>Total.</b> Add lines 11a-11d						
12	<b>Total Revenue</b> Add lines 1h 2g 3 4 5 6d 7d 8c 9c 10c and 11e				3809362.	3380202.	0.	

**Part IX Statement of Functional Expenses**

Section 501(c)(3) and 501(c)(4) organizations must complete all columns.

All other organizations must complete column (A) but are not required to complete columns (B), (C), and (D).

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to governments and organizations in the U.S. See Part IV, line 21				
2 Grants and other assistance to individuals in the U.S. See Part IV, line 22				
3 Grants and other assistance to governments, organizations, and individuals outside the U.S. See Part IV, lines 15 and 16				
4 Benefits paid to or for members				
5 Compensation of current officers, directors, trustees, and key employees				
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
7 Other salaries and wages	2,261,302.	1,905,172.	275,624.	80,506.
8 Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	30,520.	25,713.	3,720.	1,087.
9 Other employee benefits	487,998.	411,144.	59,481.	17,373.
10 Payroll taxes	173,226.	145,945.	21,114.	6,167.
11 Fees for services (non-employees)				
a Management				
b Legal	1,502.	1,502.		
c Accounting	32,605.		32,605.	
d Lobbying				
e Professional fundraising services See Part IV, line 17				
f Investment management fees				
g Other				
12 Advertising and promotion				
13 Office expenses	29,552.	15,145.	12,860.	1,547.
14 Information technology				
15 Royalties				
16 Occupancy	3,509.	2,948.	421.	140.
17 Travel				
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings				
20 Interest	1,024,747.	860,787.	122,970.	40,990.
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	316,603.	265,947.	37,992.	12,664.
23 Insurance	55,595.	46,700.	6,671.	2,224.
24 Other expenses. Itemize expenses not covered above. (Expenses grouped together and labeled miscellaneous may not exceed 5% of total expenses shown on line 25 below.)				
a <b>SUPPLIES</b>	376,923.	360,635.	8,755.	7,533.
b <b>UTILITIES</b>	92,402.	77,618.	11,088.	3,696.
c <b>REPAIRS &amp; MAINTENANCE</b>	62,058.	52,129.	7,447.	2,482.
d <b>SECURITY</b>	44,698.	37,546.	5,364.	1,788.
e <b>COMMUNICATIONS</b>	37,408.	18,704.	0.	18,704.
f All other expenses	57,210.	36,498.	797.	19,915.
<b>25 Total functional expenses</b> Add lines 1 through 24f	<b>5,087,858.</b>	<b>4,264,133.</b>	<b>606,909.</b>	<b>216,816.</b>
<b>26 Joint Costs</b> Check here <input type="checkbox"/> if following SOP 98-2. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation				

**Part X Balance Sheet**

		(A) Beginning of year		(B) End of year
<b>Assets</b>	<b>1</b> Cash - non-interest-bearing	949,909.	<b>1</b>	937,748.
	<b>2</b> Savings and temporary cash investments		<b>2</b>	
	<b>3</b> Pledges and grants receivable, net		<b>3</b>	
	<b>4</b> Accounts receivable, net	234,277.	<b>4</b>	82,183.
	<b>5</b> Receivables from current and former officers, directors, trustees, key employees, or other related parties Complete Part II of Schedule L		<b>5</b>	
	<b>6</b> Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) Complete Part II of Schedule L		<b>6</b>	
	<b>7</b> Notes and loans receivable, net		<b>7</b>	
	<b>8</b> Inventories for sale or use		<b>8</b>	
	<b>9</b> Prepaid expenses and deferred charges	11,054.	<b>9</b>	47,744.
	<b>10a</b> Land, buildings, and equipment cost basis	<b>10a</b> 19,729,672.		
	<b>b</b> Less accumulated depreciation Complete Part VI of Schedule D	<b>10b</b> 510,409.	<b>10c</b>	19,219,263.
	<b>11</b> Investments - publicly traded securities		<b>11</b>	
	<b>12</b> Investments - other securities See Part IV, line 11		<b>12</b>	
	<b>13</b> Investments - program-related See Part IV, line 11		<b>13</b>	
	<b>14</b> Intangible assets		<b>14</b>	
	<b>15</b> Other assets See Part IV, line 11	11,123,401.	<b>15</b>	11,570,933.
<b>16 Total assets.</b> Add lines 1 through 15 (must equal line 34)	31,534,587.	<b>16</b>	31,857,871.	
<b>Liabilities</b>	<b>17</b> Accounts payable and accrued expenses	567,562.	<b>17</b>	199,543.
	<b>18</b> Grants payable		<b>18</b>	
	<b>19</b> Deferred revenue	1,560,122.	<b>19</b>	2,073,507.
	<b>20</b> Tax-exempt bond liabilities		<b>20</b>	
	<b>21</b> Escrow account liability Complete Part IV of Schedule D		<b>21</b>	
	<b>22</b> Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons Complete Part II of Schedule L	950,000.	<b>22</b>	1,575,000.
	<b>23</b> Secured mortgages and notes payable to unrelated third parties	20,986,143.	<b>23</b>	21,121,739.
	<b>24</b> Unsecured notes and loans payable		<b>24</b>	
	<b>25</b> Other liabilities Complete Part X of Schedule D		<b>25</b>	
	<b>26 Total liabilities.</b> Add lines 17 through 25	24,063,827.	<b>26</b>	24,969,789.
<b>Net Assets or Fund Balances</b>	<b>Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.</b>			
	<b>27</b> Unrestricted net assets	6,071,980.	<b>27</b>	5,841,091.
	<b>28</b> Temporarily restricted net assets	1,398,780.	<b>28</b>	1,046,991.
	<b>29</b> Permanently restricted net assets		<b>29</b>	
	<b>Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 30 through 34.</b>			
	<b>30</b> Capital stock or trust principal, or current funds		<b>30</b>	
	<b>31</b> Paid-in or capital surplus, or land, building, or equipment fund		<b>31</b>	
	<b>32</b> Retained earnings, endowment, accumulated income, or other funds		<b>32</b>	
	<b>33</b> Total net assets or fund balances	7,470,760.	<b>33</b>	6,888,082.
	<b>34</b> Total liabilities and net assets/fund balances	31,534,587.	<b>34</b>	31,857,871.

**Part XI Financial Statements and Reporting**

- 1** Accounting method used to prepare the Form 990  Cash  Accrual  Other
- 2a** Were the organization's financial statements compiled or reviewed by an independent accountant?
- b** Were the organization's financial statements audited by an independent accountant?
- c** If "Yes" to lines 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant?
- 3a** As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?
- b** If "Yes," did the organization undergo the required audit or audits?

	Yes	No
<b>2a</b>		X
<b>2b</b>	X	
<b>2c</b>	X	
<b>3a</b>		X
<b>3b</b>		

**SCHEDULE A**  
**(Form 990 or 990-EZ)**

Department of the Treasury  
Internal Revenue Service

**Public Charity Status and Public Support**

To be completed by all section 501(c)(3) organizations and section 4947(a)(1) nonexempt charitable trusts.

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

OMB No 1545-0047

**2008**

Open to Public Inspection

Name of the organization **COVENANT KNIGHTS SCHOOL** Employer identification number **75-2642656**

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

The organization is not a private foundation because it is (Please check only one organization)

- 1  A church, convention of churches, or association of churches described in section 170(b)(1)(A)(i).
- 2  A school described in section 170(b)(1)(A)(ii). (Attach Schedule E)
- 3  A hospital or a cooperative hospital service organization described in section 170(b)(1)(A)(iii). (Attach Schedule H)
- 4  A medical research organization operated in conjunction with a hospital described in section 170(b)(1)(A)(iii). Enter the hospital's name, city, and state \_\_\_\_\_
- 5  An organization operated for the benefit of a college or university owned or operated by a governmental unit described in section 170(b)(1)(A)(iv). (Complete Part II)
- 6  A federal, state, or local government or governmental unit described in section 170(b)(1)(A)(v).
- 7  An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in section 170(b)(1)(A)(vi). (Complete Part II)
- 8  A community trust described in section 170(b)(1)(A)(vi). (Complete Part II)
- 9  An organization that normally receives (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions - subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975 See section 509(a)(2). (Complete the Part III)

- 10  An organization organized and operated exclusively to test for public safety See section 509(a)(4). (see instructions)
- 11  An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2) See section 509(a)(3). Check the box that describes the type of supporting organization and complete lines 11e through 11h

a  Type I      b  Type II      c  Type III - Functionally integrated      d  Type III - Other

e  By checking this box, I certify that the organization is not controlled directly or indirectly by one or more disqualified persons other than foundation managers and other than one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2)

f If the organization received a written determination from the IRS that it is a Type I, Type II, or Type III supporting organization, check this box

g Since August 17, 2006, has the organization accepted any gift or contribution from any of the following persons?

- (i) A person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the supported organization?
- (ii) A family member of a person described in (i) above?
- (iii) A 35% controlled entity of a person described in (i) or (ii) above?

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

h Provide the following information about the organizations the organization supports

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

**Part II Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)**

(Complete only if you checked the box on line 5, 7, or 8 of Part I)

**Section A. Public Support**

Calendar year (or fiscal year beginning in) ►	(a) 2004	(b) 2005	(c) 2006	(d) 2007	(e) 2008	(f) Total
<b>1</b> Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants.")						
<b>2</b> Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
<b>3</b> The value of services or facilities furnished by a governmental unit to the organization without charge						
<b>4 Total.</b> Add lines 1 - 3						
<b>5</b> The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						
<b>6 Public Support.</b> Subtract line 5 from line 4						

**Section B. Total Support**

Calendar year (or fiscal year beginning in) ►	(a) 2004	(b) 2005	(c) 2006	(d) 2007	(e) 2008	(f) Total
<b>7</b> Amounts from line 4						
<b>8</b> Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
<b>9</b> Net income from unrelated business activities, whether or not the business is regularly carried on						
<b>10</b> Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)						
<b>11 Total support.</b> Add lines 7 through 10						
<b>12</b> Gross receipts from related activities, etc. (see instructions)					<b>12</b>	
<b>13 First five years.</b> If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here <input type="checkbox"/>						

**Section C. Computation of Public Support Percentage**

<b>14</b> Public support percentage for 2008 (line 6, column (f) divided by line 11, column (f))	<b>14</b>	%
<b>15</b> Public support percentage from 2007 Schedule A, Part IV-A, line 26f	<b>15</b>	%
<b>16a 33 1/3% support test - 2008.</b> If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization <input type="checkbox"/>		
<b>b 33 1/3% support test - 2007.</b> If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization <input type="checkbox"/>		
<b>17a 10% -facts-and-circumstances test - 2008.</b> If the organization did not check a box on line 13, 16a, or 16b, and line 14 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and stop here. Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization <input type="checkbox"/>		
<b>b 10% -facts-and-circumstances test - 2007.</b> If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and stop here. Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization <input type="checkbox"/>		
<b>18 Private foundation.</b> If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions <input type="checkbox"/>		

**Part III Support Schedule for Organizations Described in Section 509(a)(2)** (Complete only if you checked the box on line 9 of Part I.)

**Section A. Public Support**

Calendar year (or fiscal year beginning in) ▶	(a) 2004	(b) 2005	(c) 2006	(d) 2007	(e) 2008	(f) Total
<b>1</b> Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants.")						
<b>2</b> Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose						
<b>3</b> Gross receipts from activities that are not an unrelated trade or business under section 513						
<b>4</b> Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
<b>5</b> The value of services or facilities furnished by a governmental unit to the organization without charge						
<b>6 Total.</b> Add lines 1 - 5						
<b>7a</b> Amounts included on lines 1, 2, and 3 received from disqualified persons						
<b>b</b> Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of 1% of the total of lines 9 10c, 11, and 12 for the year or \$5,000						
<b>c</b> Add lines 7a and 7b						
<b>8 Public support</b> (Subtract line 7c from line 6)						

**Section B. Total Support**

Calendar year (or fiscal year beginning in) ▶	(a) 2004	(b) 2005	(c) 2006	(d) 2007	(e) 2008	(f) Total
<b>9</b> Amounts from line 6						
<b>10a</b> Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
<b>b</b> Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
<b>c</b> Add lines 10a and 10b						
<b>11</b> Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
<b>12</b> Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)						
<b>13 Total support</b> (Add lines 9, 10c, 11 and 12.)						

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

**Section C. Computation of Public Support Percentage**

<b>15</b> Public support percentage for 2008 (line 8, column (f) divided by line 13, column (f))	<b>15</b>	%
<b>16</b> Public support percentage from 2007 Schedule A, Part IV-A, line 27g	<b>16</b>	%

**Section D. Computation of Investment Income Percentage**

<b>17</b> Investment income percentage for 2008 (line 10c, column (f) divided by line 13, column (f))	<b>17</b>	%
<b>18</b> Investment income percentage from 2007 Schedule A, Part IV-A, line 27h	<b>18</b>	%

**19a 33 1/3% support tests - 2008.** If the organization did not check the box on line 14, and line 15 is more than 33 1/3%, and line 17 is not more than 33 1/3% check this box and stop here. The organization qualifies as a publicly supported organization

**b 33 1/3% support tests - 2007.** If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3%, and line 18 is not more than 33 1/3%, check this box and stop here. The organization qualifies as a publicly supported organization

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

**Schedule D**  
(Form 990)

Department of the Treasury  
Internal Revenue Service

**Supplemental Financial Statements**

▶ Attach to Form 990. To be completed by organizations that answered "Yes," to Form 990, Part IV, line 6, 7, 8, 9, 10, 11, or 12.

OMB No 1545-0047

**2008**

Open to Public Inspection

Name of the organization **COVENANT KNIGHTS SCHOOL** Employer identification number **75-2642656**

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

	(a) Donor advised funds	(b) Funds and other accounts
1 Total number at end of year		
2 Aggregate contributions to (during year)		
3 Aggregate grants from (during year)		
4 Aggregate value at end of year		

5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control?  Yes  No

6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds may be used only for charitable purposes and not for the benefit of the donor or donor advisor or other impermissible private benefit?  Yes  No

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

1 Purpose(s) of conservation easements held by the organization (check all that apply)

<input type="checkbox"/> Preservation of land for public use (e.g., recreation or pleasure)	<input type="checkbox"/> Preservation of an historically important land area
<input type="checkbox"/> Protection of natural habitat	<input type="checkbox"/> Preservation of certified historic structure
<input type="checkbox"/> Preservation of open space	

2 Complete lines 2a-2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year

	Held at the End of the Year
a Total number of conservation easements	2a
b Total acreage restricted by conservation easements	2b
c Number of conservation easements on a certified historic structure included in (a)	2c
d Number of conservation easements included in (c) acquired after 8/17/06	2d

3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the taxable year ▶ \_\_\_\_\_

4 Number of states where property subject to conservation easement is located ▶ \_\_\_\_\_

5 Does the organization have a written policy regarding the periodic monitoring, inspection, violations, and enforcement of the conservation easements it holds?  Yes  No

6 Staff or volunteer hours devoted to monitoring, inspecting, and enforcing easements during the year ▶ \_\_\_\_\_

7 Amount of expenses incurred in monitoring, inspecting, and enforcing easements during the year ▶ \$ \_\_\_\_\_

8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and section 170(h)(4)(B)(ii)?  Yes  No

9 In Part XIV, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements

**Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets.**

Complete if the organization answered "Yes" to Form 990, Part IV, line 8

- 1a If the organization elected, as permitted under SFAS 116, not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide, in Part XIV, the text of the footnote to its financial statements that describes these items
- b If the organization elected, as permitted under SFAS 116, to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items
- (i) Revenues included in Form 990, Part VIII, line 1 ▶ \$ \_\_\_\_\_
- (ii) Assets included in Form 990, Part X ▶ \$ \_\_\_\_\_
- 2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 relating to these items
- a Revenues included in Form 990, Part VIII, line 1 ▶ \$ \_\_\_\_\_
- b Assets included in Form 990, Part X ▶ \$ \_\_\_\_\_

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

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

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

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

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

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

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

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

	Amount
1c	
1d	
1e	
1f	

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

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

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

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

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

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

- a Board designated or quasi-endowment  \_\_\_\_\_ %
- b Permanent endowment  \_\_\_\_\_ %
- c Term endowment  \_\_\_\_\_ %

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

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

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

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

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

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

Description of investment	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Depreciation	(d) Book value
1a Land		12,143,912.		12,143,912.
b Buildings		7,585,760.	510,409.	7,075,351.
c Leasehold improvements				
d Equipment				
e Other				

**Total.** Add lines 1a-1e (Column (d) should equal Form 990, Part X, column (B), line 10(c))  19,219,263.



**Part XI Reconciliation of Change in Net Assets from Form 990 to Financial Statements**

1	Total revenue (Form 990, Part VIII, column (A), line 12)	1	3,809,362.
2	Total expenses (Form 990, Part IX, column (A), line 25)	2	5,087,858.
3	Excess or (deficit) for the year Subtract line 2 from line 1	3	<1,278,496.>
4	Net unrealized gains (losses) on investments	4	
5	Donated services and use of facilities	5	
6	Investment expenses	6	
7	Prior period adjustments	7	
8	Other (Describe in Part XIV)	8	695,818.
9	Total adjustments (net) Add lines 4-8	9	695,818.
10	Excess or (deficit) for the year per financial statements Combine lines 3 and 9	10	<582,678.>

**Part XII Reconciliation of Revenue per Audited Financial Statements With Revenue per Return**

1	Total revenue, gains, and other support per audited financial statements	1	4,506,729.
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12		
a	Net unrealized gains on investments	2a	
b	Donated services and use of facilities	2b	
c	Recoveries of prior year grants	2c	
d	Other (Describe in Part XIV)	2d	697,367.
e	Add lines 2a through 2d	2e	697,367.
3	Subtract line 2e from line 1	3	3,809,362.
4	Amounts included on Form 990, Part VIII, line 12, but not on line 1		
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	
b	Other (Describe in Part XIV)	4b	
c	Add lines 4a and 4b	4c	0.
5	Total revenue Add lines 3 and 4c. (This should equal Form 990, Part I, line 12)	5	3,809,362.

**Part XIII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return**

1	Total expenses and losses per audited financial statements	1	5,087,858.
2	Amounts included on line 1 but not on Form 990, Part IX, line 25		
a	Donated services and use of facilities	2a	
b	Prior year adjustments	2b	
c	Losses reported on Form 990, Part IX, line 25	2c	
d	Other (Describe in Part XIV)	2d	
e	Add lines 2a through 2d	2e	0.
3	Subtract line 2e from line 1	3	5,087,858.
4	Amounts included on Form 990, Part IX, line 25, but not on line 1		
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	
b	Other (Describe in Part XIV)	4b	
c	Add lines 4a and 4b	4c	0.
5	Total expenses Add lines 3 and 4c. (This should equal Form 990, Part I, line 18)	5	5,087,858.

**Part XIV Supplemental Information**

Complete this part to provide the descriptions required for Part II, lines 3, 5, and 9, Part III, lines 1a and 4, Part IV, lines 1b and 2b, Part V, line 4, Part X, Part XI, line 8, Part XII, lines 2d and 4b, and Part XIII, lines 2d and 4b

**PART XI, LINE 8 - OTHER ADJUSTMENTS:**

**CHANGE IN ACCOUNTING ESTIMATE TO RECORD 100% OF INVESTMENTS NET**

VALUE: 876662.

**CHANGE IN ACCOUNTING ESTIMATE TO RECORD 100% OF INVESTMENTS NET**

VALUE: -180844.

**SCHEDULE E**  
**(Form 990 or 990-EZ)**

Department of the Treasury  
Internal Revenue Service

**Schools**

▶ **To be completed by organizations that answer "Yes" to Form 990, Part IV, line 13, or Form 990-EZ, Part VI, line 48.**  
▶ **Attach to Form 990 or Form 990-EZ.**

OMB No 1545-0047

**2008**

**Open to Public Inspection**

Name of the organization

**COVENANT KNIGHTS SCHOOL**

Employer identification number

**75-2642656**

- 1 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?
- 2 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?
- 3 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? If "Yes," please describe. If "No," please explain

	YES	NO
1	X	
2	X	
3	X	

**SEE STATEMENT 1**

- 4 Does the organization maintain the following?
- a Records indicating the racial composition of the student body, faculty, and administrative staff?
- b Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis?
- c Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships?
- d Copies of all material used by the organization or on its behalf to solicit contributions?  
If you answered "No" to any of the above, please explain (If you need more space, attach a separate statement)

4a	X	
4b	X	
4c	X	
4d	X	

- 5 Does the organization discriminate by race in any way with respect to
- a Students' rights or privileges?
- b Admissions policies?
- c Employment of faculty or administrative staff?
- d Scholarships or other financial assistance?
- e Educational policies?
- f Use of facilities?
- g Athletic programs?
- h Other extracurricular activities?  
If you answered "Yes" to any of the above, please explain (If you need more space, attach a separate statement)

5a		X
5b		X
5c		X
5d		X
5e		X
5f		X
5g		X
5h		X

- 6a Does the organization receive any financial aid or assistance from a governmental agency?
- b Has the organization's right to such aid ever been revoked or suspended?  
If you answered "Yes" to either line 6a or line 6b, please explain using an attached statement

6a		X
6b		X

- 7 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

7	X	
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LHA For Privacy Act and Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule E (Form 990 or 990-EZ) 2008

**SCHEDULE L**  
**(Form 990 or 990-EZ)**

Department of the Treasury  
Internal Revenue Service

**Transactions with Interested Persons**

▶ Attach to Form 990 or Form 990-EZ.  
▶ To be completed by organizations that answered  
"Yes" on Form 990, Part IV, lines 25a, 25b, 26, 27, 28a, 28b, or 28c,  
or Form 990-EZ, Part V, lines 38a or 40b.

OMB No 1545-0047

**2008**

**Open To Public  
Inspection**

Name of the organization **COVENANT KNIGHTS SCHOOL** Employer identification number **75-2642656**

**Part I Excess Benefit Transactions** (section 501(c)(3) and section 501(c)(4) organizations only)

To be completed by organizations that answered "Yes" on Form 990, Part IV, line 25a or 25b, or Form 990-EZ, Part V, line 40b

1	(a) Name of disqualified person	(b) Description of transaction	(c) Corrected?	
			Yes	No

2 Enter the amount of tax imposed on the organization managers or disqualified persons during the year under section 4958 ▶ \$ \_\_\_\_\_  
3 Enter the amount of tax, if any, on line 2, above, reimbursed by the organization ▶ \$ \_\_\_\_\_

**Part II Loans to and/or From Interested Persons.**

To be completed by organizations that answered "Yes" on Form 990, Part IV, line 26, or Form 990-EZ, Part V, line 38a

(a) Name of interested person and purpose	(b) Loan to or from the organization?		(c) Original principal amount	(d) Balance due	(e) In default?		(f) Approved by board or committee?		(g) Written agreement?	
	To	From			Yes	No	Yes	No	Yes	No
CINDY SIMMONS	X		750,000.	750,000.		X	X		X	
CHARLES HUMPHREY	X		200,000.	475,000.		X	X		X	
GARY KOERNER	X		100,000.	100,000.		X	X		X	
KEITH KOOP	X		250,000.	250,000.		X	X		X	
<b>Total</b>				▶ \$ 1,575,000.						

**Part III Grants or Assistance Benefiting Interested Persons.**

To be completed by organizations that answered "Yes" on Form 990, Part IV, line 27

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of grant or type of assistance

**Part IV Business Transactions Involving Interested Persons.**

To be completed by organizations that answered "Yes" on Form 990, Part IV, lines 28a, 28b, or 28c

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of transaction	(d) Description of transaction	(e) Sharing of organization's revenues?	
				Yes	No
JOHN BUELL	TRUSTEE & DIRECTOR	10,000.	SERVICES		X
FRANK GOSS	DIRECTOR'S IN-LAW	250,000.	LOAN TO ORG		X

**SCHEDULE M  
(Form 990)**

Department of the Treasury  
Internal Revenue Service

**NonCash Contributions**

▶ To be completed by organizations that answered  
"Yes" on Form 990, Part IV, lines 29 or 30.

▶ Attach to Form 990.

OMB No 1545-0047

**2008**

Open to Public  
Inspection

Name of the organization **COVENANT KNIGHTS SCHOOL** Employer identification number **75-2642656**

Part I	Types of Property	(a) Check if applicable	(b) Number of contributions	(c) Revenues reported on Form 990, Part VIII, line 1g	(d) Method of determining revenues
1	Art - Works of art				
2	Art - Historical treasures				
3	Art - Fractional interests				
4	Books and publications				
5	Clothing and household goods	X		100,652.	FAIR MARKET VALUE
6	Cars and other vehicles				
7	Boats and planes				
8	Intellectual property				
9	Securities - Publicly traded				
10	Securities - Closely held stock				
11	Securities - Partnership, LLC, or trust interests				
12	Securities - Miscellaneous				
13	Qualified conservation contribution (historic structures)				
14	Qualified conservation contribution (other)				
15	Real estate - Residential				
16	Real estate - Commercial				
17	Real estate - Other				
18	Collectibles				
19	Food inventory				
20	Drugs and medical supplies				
21	Taxidermy				
22	Historical artifacts				
23	Scientific specimens				
24	Archeological artifacts				
25	Other ▶ ( _____ )				
26	Other ▶ ( _____ )				
27	Other ▶ ( _____ )				
28	Other ▶ ( _____ )				

29 Number of Forms 8283 received by the organization during the tax year for contributions for which the organization completed Form 8283, Part IV, Donee Acknowledgment **29**

	Yes	No
30a During the year, did the organization receive by contribution any property reported in Part I, lines 1-28 that it must hold for at least three years from the date of the initial contribution, and which is not required to be used for exempt purposes for the entire holding period?		X
b If "Yes," describe the arrangement in Part II		
31 Does the organization have a gift acceptance policy that requires the review of any non-standard contributions?		X
32a Does the organization hire or use third parties or related organizations to solicit, process, or sell noncash contributions?		X
b If "Yes," describe in Part II		
33 If the organization did not report revenues in column (c) for a type of property for which column (a) is checked, describe in Part II		

LHA For Privacy Act and Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule M (Form 990) 2008

**Part II** **Supplemental Information.** Complete this part to provide the information required by Part I, lines 30b, 32b, and 33  
Also complete this part for any additional information

SCHEDULE M, PART I, COLUMN (B): SCHEDULE M, LINE 5: COVENANT KNIGHTS  
SCHOOL HOLDS AN AUCTION FUNDRAISER EVERY YEAR. THESE DONATIONS OF  
HOUSEHOLD GOODS ARE FROM VARIOUS INDIVIDUALS AND CORPORATIONS. NO  
SINGLE DONATION EXCEEDS THE REPORTING THRESHOLD.

**SCHEDULE O**  
**(Form 990)**

Department of the Treasury  
Internal Revenue Service

**Supplemental Information to Form 990**

▶ Attach to Form 990. To be completed by organizations to provide additional information for responses to specific questions for the Form 990 or to provide any additional information.

OMB No 1545-0047

**2008**

Open to Public  
Inspection

Name of the organization

COVENANT KNIGHTS SCHOOL

Employer identification number  
75-2642656

FORM 990, PART VI, SECTION A, LINE 10: COVENANT KNIGHTS SCHOOL FORM 990 IS PREPARED BY THEIR CPA FIRM. AFTER RECEIVING THE FINISHED FORM, COVENANT KNIGHTS SCHOOL REVIEWS IT AGAINST THEIR RECORDS BEFORE IT IS SENT TO THE BOARD OF DIRECTORS.

FORM 990, PART VI, SECTION B, LINE 12C: THE BOARD OF COVENANT KNIGHTS SCHOOL REVIEWS ACTIVITY FOR CONFLICTS OF INTEREST.

FORM 990, PART VI, SECTION B, LINE 15: HEADMASTER HIRED IN 2007. THE PERSONNEL COMMITTEE INTERVIEWED SEVERAL CANDIDATES & CONSIDERED AVAILABLE MARKET INFORMATION AS WELL AS THE VARIOUS CANDIDATES' QUALIFICATIONS BEFORE ESTABLISHING A COMPENSATION PACKAGE & MAKING A RECOMMENDATION TO THE BOARD. AFTER THE COMMITTEE'S FINDINGS WERE PRESENTED TO THE SCHOOL BOARD. THE BOARD THEN VISITED WITH CANDIDATE IN PERSON BEFORE DELIBERATING ON THE PERSONNEL COMMITTEE'S RECOMMENDATIONS ON THE EMPLOYMENT OFFER AND COMPENSATION PACKAGE.

FORM 990, PART VI, SECTION C, LINE 19: COVENANT KNIGHTS SCHOOL PROVIDES INFORMATION UPON REQUEST.

THERE HAVE BEEN NO CHANGES TO THE COMMITTEE'S PROCEDURES FROM THE PRIOR YEAR.









2008 DEPRECIATION AND AMORTIZATION REPORT

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Asset No	Description	Date Acquired	Method	Life	Conv	Line No	Unadjusted Cost Or Basis	Bus % Excl	Section 179 Expense	Reduction In Basis	Basis For Depreciation	Beginning Accumulated Depreciation	Current Sec 179 Expense	Current Year Deduction	Ending Accumulated Depreciation
246	3 COMPUTERS	08/28/08	SL	5.00		HY16	2,972.				2,972.			495.	495.
247	COMPUTER & EQUIPMENT	10/08/08	SL	5.00		HY16	1,358.				1,358.			204.	204.
248	COMPUTERS - 2 LAPTOPS	10/08/08	SL	5.00		HY16	2,698.				2,698.			405.	405.
249	SYLVANIA SOFTWARE	08/14/08	SL	5.00		HY16	280.				280.			51.	51.
250	FURNITURE	08/28/08	SL	7.00		HY16	2,499.				2,499.			298.	298.
251	FURNITURE	09/03/08	SL	7.00		HY16	3,169.				3,169.			377.	377.
252	ATHLETIC FIELD SCOREBOARD	10/14/08	SL	7.00		HY16	23,435.				23,435.			2,511.	2,511.
253	ATHLETIC FIELD FENCE	11/10/08	SL	15.00		HY16	40,085.				40,085.			1,782.	1,782.
254	ATHLETIC FIELD	08/22/08	SL	15.00		HY16	663,731.				663,731.			36,874.	36,874.
255	SPORTS COURT	08/27/08	SL	7.00		HY16	36,289.				36,289.			4,320.	4,320.
256	ARRIVAL PAVILLION	03/03/09	SL	15.00		HY16	85,392.				85,392.			1,898.	1,898.
257	FLAG POLES	01/05/09	SL	15.00		HY16	9,372.				9,372.			312.	312.
258	IMPROVEMENTS	08/14/08	SL	15.00		HY16	11,050.				11,050.			675.	675.
259	IMPROVEMENTS	10/24/08	SL	15.00		HY16	7,620.				7,620.			339.	339.
260		10/24/08	SL	7.00		HY16	2,115.				2,115.			201.	201.
261	COMPUTER & EQUIPMENT	06/18/09	SL	5.00		HY16	9,875.				9,875.			0.	0.
262	FURNITURE	08/06/08	SL	7.00		HY16	6,480.				6,480.			849.	849.
263	GATOR	10/15/08	SL	5.00		HY16	8,200.				8,200.			1,230.	1,230.

2008 DEPRECIATION AND AMORTIZATION REPORT

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Asset No	Description	Date Acquired	Method	Life	Convention	Unadjusted Cost Or Basis	Bus % Excl	Section 179 Expense	Reduction In Basis	Basis For Depreciation	Beginning Accumulated Depreciation	Current Sec 179 Expense	Current Year Deduction	Ending Accumulated Depreciation
264	CONSTRUCTION IN PROGRESS	10/15/08	SL	39.00	HY16	1,850.				1,850.			36.	36.
	* 990 PAGE 10 TOTAL OTHER PROGRAM SERVICES					918,470.				918,470.	0.		52,857.	52,857.
245	CONSTRUCTION IN PROGRESS	06/30/08	SL	39.00	MM16	159,647.				159,647.			4,094.	4,094.
	* 990 PAGE 10 TOTAL PROGRAM SERVICES					159,647.				159,647.	0.		4,094.	4,094.
	COMPUTERS & EQUIPMENT													
9	COMPUTER EQUIPMENT - LIBRARY	06/30/99	SL	3.00	HY16	7,868.				7,868.	5,111.		0.	5,111.
22	COMPUTER EQUIPMENT - LIBRARY	06/30/00	SL	3.00	HY16	465.				465.	465.		0.	465.
23	COMPUTER SOFTWARE - LIBRARY	06/30/99	SL	3.00	HY16	1,940.				1,940.	1,863.		0.	1,863.
24	COMPUTER EQUIPMENT	07/01/96	SL	3.00	HY16	5,754.				5,754.	5,754.		0.	5,754.
25	COMPUTER EQUIPMENT	06/30/98	SL	3.00	HY16	2,411.				2,411.	2,411.		0.	2,411.
26	COMPUTER EQUIPMENT - LIBRARY	06/30/98	SL	3.00	HY16	1,484.				1,484.	1,484.		0.	1,484.
27	COMPUTER SOFTWARE - LIBRARY	06/30/99	SL	3.00	HY16	2,553.				2,553.	2,553.		0.	2,553.
31	COMPUTER EQUIPMENT	06/30/99	SL	3.00	HY16	238.				238.	238.		0.	238.
35	COMPUTER - ART	01/13/03	SL	3.00	HY16	1,656.				1,656.	1,656.		0.	1,656.
36	SOFTWARE - ART	01/13/03	SL	3.00	HY16	427.				427.	427.		0.	427.
37	CAMERA - ART	01/13/03	SL	3.00	HY16	820.				820.	820.		0.	820.
38	COMPUTER EQUIPMENT PRINTER - ART	03/05/03	SL	3.00	HY16	499.				499.	499.		0.	499.

828111  
04-25-08

(D) - Asset disposed

\* ITC, Salvage, Bonus, Commercial Revitalization Deduction, GO Zone

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Asset No	Description	Date Acquired	Method	Life	Conv	Line No	Unadjusted Cost Or Basis	Bus % Excl	Section 179 Expense	Reduction In Basis	Basis For Depreciation	Beginning Accumulated Depreciation	Current Sec 179 Expense	Current Year Deduction	Ending Accumulated Depreciation
63	COMPUTER EQUIPMENT - GATEWAY DS 1450 LAPTOP	07/01/03	SL	3.00		HY16	1,254.				1,254.	1,254.	0.	0.	1,254.
64	COMPUTER EQUIPMENT - GATEWAY DS 1450 LAPTOP	07/01/03	SL	3.00		HY16	1,254.				1,254.	1,254.	0.	0.	1,254.
65	COMPUTER EQUIPMENT - GATEWAY 500SE DESKTOP	07/01/03	SL	3.00		HY16	1,150.				1,150.	1,150.	0.	0.	1,150.
66	COMPUTER EQUIPMENT - GATEWAY 500SE DESKTOP	07/01/03	SL	3.00		HY16	1,150.				1,150.	1,150.	0.	0.	1,150.
67	COMPUTER EQUIPMENT - 5 PRINTERS(3 EPSON 2 HP EQUIPMENT - 3 PRINTERS & BOOMBOX	07/01/03	SL	3.00		HY16	857.				857.	857.	0.	0.	857.
68	COMPUTER EQUIPMENT - LORI	08/29/03	SL	5.00		HY16	480.				480.	464.	16.	16.	480.
69	P'S COMPUTER	08/29/03	SL	3.00		HY16	2,247.				2,247.	2,247.	0.	0.	2,247.
70	EQUIPMENT - PRINTER	09/15/03	SL	3.00		HY16	100.				100.	100.	0.	0.	100.
71	EQUIPMENT - 6 OH PROJECTOR SCREENS	09/15/03	SL	5.00		HY16	311.				311.	300.	11.	11.	311.
73	EQUIPMENT - 6 OVERHEADS EQUIPMENT - OVERHEAD	09/23/03	SL	5.00		HY16	1,079.				1,079.	1,026.	53.	53.	1,079.
74	PROJECTOR	10/15/03	SL	5.00		HY16	219.				219.	209.	10.	10.	219.
75	EQUIPMENT - 2 OVERHEAD PROJECTOR CART	10/15/03	SL	5.00		HY16	260.				260.	247.	13.	13.	260.
102	COMPUTER SOFTWARE	10/13/04	SL	5.00		HY16	131.				131.	98.	26.	26.	124.
103	COMPUTERS & EQUIPMENT - LATITUDE D505	08/31/04	SL	5.00		HY16	4,217.				4,217.	3,232.	843.	843.	4,075.
105	COMPUTERS & EQUIPMENT - DELL	09/30/04	SL	5.00		HY16	36,836.				36,836.	20,259.	7,367.	7,367.	27,626.
106	COMPUTERS & EQUIPMENT - DELL	05/31/05	SL	5.00		HY16	1,675.				1,675.	1,033.	335.	335.	1,368.
107	COMPUTER & EQUIPMENT - DELL	06/21/05	SL	5.00		HY16	1,675.				1,675.	1,005.	335.	335.	1,340.
113	COMPUTER SOFTWARE	06/06/06	SL	5.00		HY16	7,500.				7,500.	3,125.	1,500.	1,500.	4,625.

828111  
04-25-08

(D) - Asset disposed

\* ITC, Salvage, Bonus, Commercial Revitalization Deduction, GO Zone

2008 DEPRECIATION AND AMORTIZATION REPORT

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Asset No	Description	Date Acquired	Method	Life	C o v	Line No	Unadjusted Cost Or Basis	Bus % Excl	Section 179 Expense	Reduction In Basis	Basis For Depreciation	Beginning Accumulated Depreciation	Current Sec. 179 Expense	Current Year Deduction	Ending Accumulated Depreciation
114	COMPUTER & EQUIPMENT - 2 LAPTOPS	03/01/06	SL	5.00	HY16		2,847.				2,847.	1,328.	569.	1,897.	
115	COMPUTER & EQUIPMENT - 2 PRINTERS	09/12/05	SL	5.00	HY16		550.				550.	312.	110.	422.	
116	COMPUTER & EQUIPMENT - 3 COMPUTERS	09/02/05	SL	5.00	HY16		451.				451.	255.	90.	345.	
141	COMPUTER & EQUIPMENT - LAP TOP	10/20/06	SL	5.00	HY16		1,384.				1,384.	462.	277.	739.	
176	COMPUTER & EQUIPMENT - LAPTOP STEVE M	08/20/07	SL	5.00	HY16		1,192.				1,192.	199.	238.	437.	
177	COMPUTER & EQUIPMENT - OPTIPLEX MINITOWER	08/28/07	SL	5.00	HY16		1,768.				1,768.	295.	354.	649.	
178	COMPUTER & EQUIPMENT - APPLICATIONS	08/28/07	SL	5.00	HY16		732.				732.	134.	146.	280.	
179	COMPUTER & EQUIPMENT - 4 DESKTOPS	09/10/07	SL	5.00	HY16		3,539.				3,539.	590.	708.	1,298.	
180	COMPUTER & EQUIPMENT - LAPTOP INVENTORY JOHN	09/17/07	SL	5.00	HY16		1,648.				1,648.	247.	330.	577.	
181	COMPUTER & EQUIPMENT - COMPUTER BRICE	10/01/07	SL	5.00	HY16		1,250.				1,250.	188.	250.	438.	
183	COMPUTER & EQUIPMENT - MULTIPLE	02/14/08	SL	5.00	HY16		1,403.				1,403.	117.	281.	398.	
201	COMPUTER & EQUIPMENT - MULTIPLE	04/14/08	SL	5.00	HY16		7,539.				7,539.	442.	1,508.	1,950.	
	* 990 PAGE 10 TOTAL - COMPUTERS & EQUIPMENT						112,813.				112,813.	66,860.	15,370.	82,230.	
4	FURNITURE & FIXTURES DESKS & FURNITURE	07/01/96	SL	10.00	HY16		1,612.				1,612.	968.	0.	968.	
5	DESKS	06/30/99	SL	10.00	HY16		2,357.				2,357.	1,812.	236.	2,048.	
6	LIBRARY FIXTURES & FURNITURE	06/30/99	SL	10.00	HY16		6,551.				6,551.	4,880.	655.	5,535.	
7	LIBRARY FIXTURES & FURNITURE	06/30/00	SL	10.00	HY16		12,989.				12,989.	9,393.	1,299.	10,692.	

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Asset No	Description	Date Acquired	Method	Life	Conv No	Unadjusted Cost Or Basis	Bus % Excl	Section 179 Expense	Reduction In Basis	Basis For Depreciation	Beginning Accumulated Depreciation	Current Sec 179 Expense	Current Year Deduction	Ending Accumulated Depreciation
8	LIBRARY FIXTURES & FURNITURE	06/30/00	SL	10.00	HY16	1,053.				1,053.	775.		105.	880.
28	OTHER EQUIPMENT	07/01/96	SL	3.00	HY16	7,329.				7,329.	7,329.		0.	7,329.
29	OTHER EQUIPMENT	06/30/98	SL	3.00	HY16	2,741.				2,741.	2,741.		0.	2,741.
30	OTHER EQUIPMENT	06/30/99	SL	3.00	HY16	2,122.				2,122.	2,122.		0.	2,122.
39	STRIPS LOWER SCHOOL	08/01/02	SL	7.00	HY16	708.				708.	598.		101.	699.
40	DESKS & FURNITURE 200 CHAIRS	08/01/02	SL	7.00	HY16	10,670.				10,670.	9,017.		1,524.	10,541.
41	DESKS & FURNITURE SHELVES	08/02/02	SL	7.00	HY16	4,947.				4,947.	4,183.		707.	4,890.
42	DESKS & FURNITURE CASTER	08/08/02	SL	7.00	HY16	34.				34.	29.		5.	34.
43	DESKS & FURNITURE 36 STACK	08/08/02	SL	7.00	HY16	803.				803.	680.		115.	795.
44	DESKS & FURNITURE WALL	08/30/02	SL	7.00	HY16	1,246.				1,246.	1,038.		178.	1,216.
44	PARTITION	08/30/02	SL	7.00	HY16	1,501.				1,501.	1,249.		214.	1,463.
45	DESKS & FURNITURE 8 LUNCH	08/30/02	SL	7.00	HY16	1,501.				1,501.	1,249.		214.	1,463.
45	TABLES	08/30/02	SL	7.00	HY16	2,199.				2,199.	1,832.		314.	2,146.
46	DESKS & FURNITURE 18 TABLES	08/30/02	SL	7.00	HY16	2,199.				2,199.	1,832.		314.	2,146.
47	DESKS & FURNITURE POTTERY	09/04/02	SL	7.00	HY16	2,070.				2,070.	1,726.		296.	2,022.
47	BARNS BINS	09/04/02	SL	7.00	HY16	2,070.				2,070.	1,726.		296.	2,022.
48	DESKS & FURNITURE MOBILE	09/04/02	SL	7.00	HY16	329.				329.	274.		47.	321.
48	STORAGE - LOWER	09/04/02	SL	7.00	HY16	329.				329.	274.		47.	321.
49	DESKS & FURNITURE 56 SEMINAR	09/19/02	SL	7.00	HY16	6,292.				6,292.	5,169.		899.	6,068.
49	TABLES	09/19/02	SL	7.00	HY16	6,292.				6,292.	5,169.		899.	6,068.
50	DESKS & FURNITURE WATERCOLOR	09/26/02	SL	7.00	HY16	352.				352.	288.		50.	338.
50	OVAL PAN	09/26/02	SL	7.00	HY16	352.				352.	288.		50.	338.
51	DESKS & FURNITURE DESK -	10/22/02	SL	7.00	HY16	330.				330.	266.		47.	313.
51	LOWER SCHOOL	10/22/02	SL	7.00	HY16	330.				330.	266.		47.	313.
76	FURNITURE - 3 FILING	08/01/03	SL	7.00	HY16	563.				563.	394.		80.	474.
76	CABINETS	08/01/03	SL	7.00	HY16	563.				563.	394.		80.	474.

(D) - Asset disposed

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Asset No	Description	Date Acquired	Method	Life	Conv	Line No	Unadjusted Cost Or Basis	Bus % Excl	Section 179 Expense	Reduction In Basis	Basis For Depreciation	Beginning Accumulated Depreciation	Current Sec. 179 Expense	Current Year Deduction	Ending Accumulated Depreciation
77	FURNITURE - 8 CHAIRS	08/01/03	SL	7.00		HY16	716.				716.	502.		102.	604.
78	FURNITURE - 26 DESKS MINUS 1 RETURNED (\$90)	08/01/03	SL	7.00		HY16	2,257.				2,257.	1,584.		322.	1,906.
79	FURNITURE - SHELVES	08/01/03	SL	7.00		HY16	244.				244.	172.		35.	207.
80	FURNITURE - 73 CHAIRS	08/01/03	SL	7.00		HY16	2,475.				2,475.	1,740.		354.	2,094.
81	FURNITURE - 26 STUDENT CHAIRS	08/29/03	SL	7.00		HY16	932.				932.	643.		133.	776.
82	FURNITURE - 7 STUDENT CHAIRS	08/29/03	SL	7.00		HY16	159.				159.	111.		23.	134.
83	FURNITURE - SCREEN, BRACKETS	08/29/03	SL	7.00		HY16	921.				921.	638.		132.	770.
84	FURNITURE - STACK CHAIRS	08/29/03	SL	7.00		HY16	176.				176.	121.		25.	146.
85	FURNITURE - FILE CABINET	09/15/03	SL	7.00		HY16	207.				207.	145.		30.	175.
86	FURNITURE - FABRIC CHAIR	09/15/03	SL	7.00		HY16	124.				124.	87.		18.	105.
87	FURNITURE - US RECEPTIONIST DESK	09/15/03	SL	7.00		HY16	737.				737.	508.		105.	613.
88	FURNITURE - CREDENZA FRONT OFFICE AT NW	10/08/03	SL	7.00		HY16	622.				622.	423.		89.	512.
89	FURNITURE - 60" LUNCH ROOM TABLES	10/28/03	SL	7.00		HY16	424.				424.	284.		61.	345.
90	FURNITURE - 2 SCIENCE LAB TABLES	12/08/03	SL	7.00		HY16	919.				919.	601.		131.	732.
91	TROPHY CASE	05/01/04	SL	7.00		HY16	885.				885.	525.		126.	651.
93	EQUIPMENT - SHOOT-A-WAY BASKETBALL MACHINE	06/01/04	SL	7.00		HY16	4,681.				4,681.	2,732.		669.	3,401.
94	DESKS & FURNITURE - 5 DESKS & CHAIRS	08/03/04	SL	7.00		HY16	454.				454.	254.		65.	319.
95	DESKS & FURNITURE - OFFICE DESK	09/01/04	SL	7.00		HY16	1,382.				1,382.	756.		197.	953.

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96	DESKS & FURNITURE - TV/VIDEO CART	09/03/04	SL	7.00	HY16	353.				353.	192.		50.	242.
97	DESKS & FURNITURE - OFFICE DESK	09/09/04	SL	7.00	HY16	513.				513.	280.		73.	353.
98	DESKS & FURNITURE - PORTABLE WHITEBOARD	09/28/04	SL	7.00	HY16	368.				368.	198.		53.	251.
99	FURNITURE & FIXTURES - 2 WHITEBOARDS	08/18/04	SL	7.00	HY16	571.				571.	314.		82.	396.
100	FURNITURE & FIXTURES - OVERHEAD PROJECTOR	08/24/04	SL	7.00	HY16	168.				168.	92.		24.	116.
118	DESKS & FURNITURE - 20 STUDENT DESKS	07/07/05	SL	7.00	HY16	1,315.				1,315.	564.		188.	752.
119	DESKS & FURNITURE - 2 PICNIC TABLES	08/31/05	SL	7.00	HY16	1,328.				1,328.	538.		190.	728.
120	DESKS & FURNITURE - MOBILE STORAGE CABINET	09/15/05	SL	7.00	HY16	506.				506.	204.		72.	276.
121	DESKS & FURNITURE - BACKPACKS	03/09/06	SL	7.00	HY16	516.				516.	173.		74.	247.
123	BUILDING IMPROVEMENTS - CANOPY FOR PLAYGROUND	10/11/05	SL	7.00	HY16	2,550.				2,550.	1,001.		364.	1,365.
142	FURNITURE & FIXTURES - CHAIRS & RUG	08/22/06	SL	7.00	HY16	1,646.				1,646.	431.		235.	666.
143	FURNITURE & FIXTURES - DESK CHAIRS	10/09/06	SL	7.00	HY16	843.				843.	210.		120.	330.
146	FURNITURE & FIXTURES	12/31/06	SL	7.00	HY16	2,000.				2,000.	286.		286.	572.
156	DESKS & FURNITURE - 15 TABLES	03/03/08	SL	7.00	HY16	2,476.				2,476.	118.		354.	472.
157	DESKS & FURNITURE - PORTABLE SOUND SYSTEM	02/28/08	SL	5.00	HY16	880.				880.	59.		176.	235.
158	DESKS & FURNITURE - 2 TABLES FOR OFFICE USE	02/15/08	SL	7.00	HY16	618.				618.	37.		88.	125.
159	DESKS & FURNITURE - 68 DESKS, 6 TEACHER DESKS, 7 CHAIRS, DESKS & FURNITURE - 3	08/09/07	SL	7.00	HY16	9,417.				9,417.	232.		1,345.	1,577.
161	OVERHEADS AND 2 SCREENS	08/28/07	SL	7.00	HY16	908.				908.	108.		130.	238.

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173	DESKS & FURNITURE - MULTIPLE ITEMS	02/28/08	SL	7.00	HY16	20,510.				20,510.	977.		2,930.	3,907.
174	DESKS & FURNITURE - MOBILE WHITEBOARD	09/04/07	SL	7.00	HY16	615.				615.	73.		88.	161.
187	6 GREY DESKS 5 BOOKCASES	08/24/07	SL	7.00	HY16	1,878.				1,878.	224.		268.	492.
188	FURNITURE	10/08/07	SL	7.00	HY16	2,884.				2,884.	309.		412.	721.
190	FURNITURE	02/08/08	SL	7.00	HY16	508.				508.	30.		73.	103.
212	FURNITURE	05/16/08	SL	7.00	HY16	26,516.				26,516.	316.		3,788.	4,104.
223	ICE MACHINE	04/07/08	SL	5.00	HY16	2,875.				2,875.	144.		575.	719.
	* 990 PAGE 10 TOTAL - FURNITURE & FIXTURES					169,875.				169,875.	75,699.		21,527.	97,226.
	TEXTBOOKS & LIBRARY													
32	LIBRARY - BOOKS & VOLUMES	06/30/00	SL	5.00	HY16	933.				933.	806.		0.	806.
33	LIBRARY - BOOKS & VOLUMES	06/30/99	SL	5.00	HY16	2,423.				2,423.	1,543.		0.	1,543.
52	LIBRARY - BOOKS & VOLUMES	09/30/02	SL	5.00	HY16	61.				61.	61.		0.	61.
53	LIBRARY - BOOKS & VOLUMES	09/30/02	SL	5.00	HY16	294.				294.	294.		0.	294.
54	GRAMMAR 7TH GRADE	10/11/02	SL	5.00	HY16	415.				415.	415.		0.	415.
122	LIBRARY - HYMNALS	08/29/05	SL	5.00	HY16	9,000.				9,000.	5,100.		1,800.	6,900.
147	BOOK & VOLUMES	12/31/06	SL	5.00	HY16	36,862.				36,862.	7,372.		7,372.	14,744.
	* 990 PAGE 10 TOTAL - TEXTBOOKS & LIBRARY					49,988.				49,988.	15,591.		9,172.	24,763.
184	ACADEMIC VILLAGE	01/01/08	SL	39.00	MM16	6,301,428.				6,301,428.	80,788.		161,575.	242,363.

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185	LAND		L				12143912.				12143912.			0.	
186	IMPROVEMENTS	12/07/05	SL	15.00			3,596.				3,596.	240.	240.	240.	480.
	* 990 PAGE 10 TOTAL -						18448936.				18448936.	81,028.	161,815.	161,815.	242,843.
	TEXTBOOKS & LIBRARY														
234	SCHOOL BUS	12/18/07	SL	5.00			25,000.				25,000.	2,500.	5,000.	5,000.	7,500.
	* 990 PAGE 10 TOTAL -						25,000.				25,000.	2,500.	5,000.	5,000.	7,500.
	TEXTBOOKS & LIBRARY														
	* GRAND TOTAL 990 PAGE 10 DEPR						19884729.				19884729.	241,678.	269,835.	269,835.	511,513.

SCHEDULE E

SCHOOLS - LINE 3

STATEMENT 1

THE ACADEMY ADMITS STUDENTS OF ANY RACE, COLOR, AND NATIONAL OR ETHNIC ORIGIN TO ALL THE RIGHTS, PRIVILEGES, PROGRAMS, AND ACTIVITIES ACCORDED OR MADE AVAILABLE TO ITS STUDENTS AND DOES NOT DISCRIMINATE ON THE BASIS OF RACE IN ADMINISTRATION OF ITS EDUCATIONAL POLICIES, ADMISSIONS POLICIES, SCHOLARSHIP AND LOAN PROGRAMS, AND ATHLETIC AND OTHER SCHOOL PROGRAMS. THIS NONDISCRIMINATORY POLICY IS CLEARLY STATED ON THE ORGANIZATIONS WEBSITE AT [WWW.COVENANTSCHOOL.COM](http://WWW.COVENANTSCHOOL.COM) AND IS PRINTED IN ALL APPLICATION PACKETS.

- If you are filing for an **Additional (Not Automatic) 3-Month Extension**, complete only **Part II** and check this box  **X**
- Note:** Only complete Part II if you have already been granted an automatic 3-month extension on a previously filed Form 8868
- If you are filing for an **Automatic 3-Month Extension**, complete only **Part I** (on page 1)

<b>Part II Additional (Not Automatic) 3-Month Extension of Time.</b> Only file the original (no copies needed)		
Type or print  File by the extended due date for filing the return See instructions	Name of Exempt Organization <b>COVENANT KNIGHTS SCHOOL</b>	Employer identification number <b>75-2642656</b>
	Number, street, and room or suite no If a P O box, see instructions <b>7300 VALLEY VIEW LANE</b>	For IRS use only
	City, town or post office, state, and ZIP code For a foreign address, see instructions <b>DALLAS, TX 75240</b>	

**Check type of return to be filed** (File a separate application for each return)

- Form 990   
  Form 990-EZ   
  Form 990-T (sec 401(a) or 408(a) trust)   
  Form 1041-A   
  Form 5227   
  Form 8870  
 Form 990-BL   
  Form 990-PF   
  Form 990-T (trust other than above)   
  Form 4720   
  Form 6069

**STOP! Do not complete Part II if you were not already granted an automatic 3-month extension on a previously filed Form 8868.**

**MS. LORI PRIOR**

- The books are in the care of  **7300 VALLEY VIEW LANE - DALLAS, TX 75240**  
 Telephone No  **214-358-5818**      FAX No
- If the organization does not have an office or place of business in the United States, check this box
- If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) \_\_\_\_\_ If this is for the whole group, check this box  If it is for part of the group, check this box  and attach a list with the names and EINs of all members the extension is for

- 4 I request an additional 3-month extension of time until **MAY 15, 2010**  
 5 For calendar year \_\_\_\_\_, or other tax year beginning **JUL 1, 2008**, and ending **JUN 30, 2009**  
 6 If this tax year is for less than 12 months, check reason  Initial return     Final return     Change in accounting period  
 7 State in detail why you need the extension \_\_\_\_\_

<b>8a</b> If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits See instructions	<b>8a</b>	\$	
<b>b</b> If this application is for Form 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made Include any prior year overpayment allowed as a credit and any amount paid previously with Form 8868	<b>8b</b>	\$	
<b>c Balance Due.</b> Subtract line 8b from line 8a Include your payment with this form, or, if required, deposit with FTD coupon or, if required, by using EFTPS (Electronic Federal Tax Payment System) See instructions	<b>8c</b>	\$	<b>N/A</b>

**Signature and Verification**

Under penalties of perjury, I declare that I have examined this form, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete, and that I am authorized to prepare this form

Signature  \_\_\_\_\_ Title  \_\_\_\_\_ Date  \_\_\_\_\_