



See a Social Security Number? Say Something!
Report Privacy Problems to <https://public.resource.org/privacy>
Or call the IRS Identity Theft Hotline at 1-800-908-4490



Form **990-PF**

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

OMB No. 1545-0062

2008Department of the Treasury
Internal Revenue Service (77)

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

For calendar year 2008, or tax year beginning 8/01, 2008, and ending 7/31, 2009

G Check all that apply: Initial return Final return Amended return Address change Name change

Use the
IRS label.
Otherwise,
print
or type.
See Specific
Instructions.COVENANT FOUNDATION, INC.
ONE NATIONAL DRIVE
ATLANTA, GA 30336

A Employer identification number

58-6035088

B Telephone number (see the instructions)

404-696-9440

C If exemption application is pending, check here ☐D 1 Foreign organizations, check here ☐2 Foreign organizations meeting the 85% test, check here and attach computation ☐E If private foundation status was terminated under section 507(b)(1)(A), check here ☐F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here ☐H Check type of organization: ☒ Section 501(c)(3) exempt private foundation
☐ Section 4947(a)(1) nonexempt charitable trust ☐ Other taxable private foundation

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

➤ \$ 5,897,494.

J Accounting method: ☒ 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 (all sch.)
- 2 ☐ If the foundation is not req. to file Sch. B
- 3 Interest on savings and temporary cash investments
- 4 Dividends and interest from securities
- 5a Gross rents
- b Net rental income or (loss)
- 6a Net gain/(loss) from sale of assets not on line 10
- b Gross sales price for all assets on line 6a
- 7 Capital gain net income (from Part IV, line 2)
- 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) (all sch.)
- 11 Other income (attach schedule)

1,605,000.

83,090.

83,090.

83,090.

-399,329.

Statement J

2,152,143.

IRS RECEIVED: 06/29/2011

1,288,761.

83,090.

83,090.

ADMINISTRATIVE EXPENSES

- 12 Total. Add lines 1 through 11
- 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.)
- 17 Interest
- 18 Taxes (attach schedule)
- 19 Depreciation (attach sch.) and depletion
- 20 Occupancy
- 21 Travel, conferences, and meetings
- 22 Printing and publications
- 23 Other expenses (attach schedule)

See Statement 2

295.

150.

145.

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

295.

150.

145.

25 Contributions, gifts, grants paid Part. XV.

337,979.

337,979.

26 Total expenses and disbursements. Add lines 24 and 25.

338,274.

150.

0.

338,124.

27 Subtract line 26 from line 12:

a Excess of revenue over expenses and disbursements

950,487.

b Net investment income (if negative, enter -0-).

82,940.

c Adjusted net income (if negative, enter -0-).

83,090.

SCANNED AUG 22 2011

210 828
14 ✓
617

Form 990-PF (2008) COVENANT FOUNDATION, INC.

58-6035088

Page 2

Part II Balance Sheets

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

		Beginning of year	End of year	
		(a) Book Value	(b) Book Value	(c) Fair Market Value
ASSETS	1 Cash — non-interest-bearing			
	2 Savings and temporary cash investments	106,703.	1,047,607.	1,047,607.
	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)	2,890,137.	3,359,721.	4,732,295.
	c Investments — corporate bonds (attach schedule)			
	11 Investments — land, buildings, and equipment: basis..... ▶			
	Less: accumulated depreciation (attach schedule)..... ▶			
LIABILITIES	12 Investments — mortgage loans			
	13 Investments — other (attach schedule)	577,592.	117,592.	117,592.
	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).....	3,516,432.	4,524,920.	5,897,494.
	17 Accounts payable and accrued expenses.....			
	18 Grants payable			
	19 Deferred revenue			
	20 Loans from officers, directors, trustees, & other disqualified persons			
NET ASSETS OR FUND BALANCES	21 Mortgages and other notes payable (attach schedule)			
	22 Other liabilities (describe.....)		1.	
	23 Total liabilities (add lines 17 through 22).....	0.	1.	
	Foundations that follow SFAS 117, check here..... ▶ ☒ and complete lines 24 through 26 and lines 30 and 31.			
	24 Unrestricted	3,574,432.	4,524,919.	
	25 Temporarily restricted.....			
	26 Permanently restricted.....			
	Foundations that do not follow SFAS 117, check here..... ▶ ☐ and complete lines 27 through 31.			
	27 Capital stock, trust principal, or current funds.....			
	28 Paid-in or capital surplus, or land, building, and equipment fund.....			
	29 Retained earnings, accumulated income, endowment, or other funds			
	30 Total net assets or fund balances (see the instructions).....	3,574,432.	4,524,919.	
	31 Total liabilities and net assets/fund balances (see the instructions).....	3,574,432.	4,524,920.	

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	3,574,432.
2 Enter amount from Part I, line 27a.....	2	2,048,7.
3 Other increases not included in line 2 (itemize)..... ▶	3	
4 Add lines 1, 2, and 3	4	4,524,919.
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	4,524,919.

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 N/A				
b				
c				
d				
e				

(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)
a			
b			
c			
d			
e			

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(i) Gains (Column (h) gain minus column (g), but not less than -0-) or Losses (from column (h))
(j) Fair Market Value as of 12/31/69	(k) Adjusted basis as of 12/31/69	(l) Excess of column (i) over column (j), if any	
a			
b			
c			
d			
e			

2 Capital gain net income or (net capital loss). If gain, also enter in Part I, line 7 If (loss), enter -0- in Part I, line 7	2	
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(e) 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))
2007	917,506.	6,735,139.	0.136227
2006	315,996.	5,310,640.	0.059502
2005	1,563,290.	5,695,513.	0.274462
2004	961,305.	5,426,899.	0.177137
2003	1,077,212.	5,315,698.	0.202647

2 Total of line 1, column (d)	2	0.949975
3 Average distribution ratio for the 5-year base period — divide the total on line 2 by 5, or by the number of years the foundation has been in existence if less than 5 years	3	0.169995
4 Enter the net value of noncharitable use assets for 2008 from Part X, line 5	4	5,502,076.
5 Multiply line 4 by line 3	5	935,325.
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	829.
7 Add lines 5 and 6	7	936,154.
8 Enter qualifying distributions from Part XII, line 4	8	338,124.

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.

Form 990-PF (2008) COVENANT FOUNDATION, INC.

58-6035088

Page 4

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(a)(2), check here ☐ and enter 'N/A' on line 1.		
Date of ruling letter: _____ (attach copy of ruling letter if necessary - see instructions)		
b Domestic foundations that meet the section 4940(e) requirements in Part V, check here ☐ and enter 1% of Part I, line 27b.	1	1,659.
c All other domestic foundations enter 2% of line 27b. Exempt foreign organizations enter 4% of Part I, line 12, column (b).		
2 Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-).	2	0.
3 Add lines 1 and 2.	3	1,659.
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	1,659.
6 Credits/Payments:		
a 2008 estimated tax paid and 2007 overpayment credited to 2008.	6a	4,701.
b Exempt foreign organizations -- tax withheld at source.	6b	
c Tax paid with application for extension of time to file (Form 8868).	6c	
d Backup withholding erroneously withheld.	6d	
7 Total credits and payments. Add lines 6a through 6d.	7	4,701.
8 Enter any penalty for underpayment of estimated tax. Check here ☐ if Form 2220 is attached.	8	
9 Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed.	9	0.
10 Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid.	10	3,042.
11 Enter the amount of line 10 to be credited to 2009 estimated tax.	11	0.

Part VII 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?		X	
b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see the instructions for definition)?		X	
If the answer is 'Yes' to 1a or 1b, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities.			
c Did the foundation file Form 990-POL for this year?		X	
d Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year:			
(1) On the foundation	\$ 0.	(2) On foundation managers	\$ 0.
e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers.	\$ 0.		
2 Has the foundation engaged in any activities that have not previously been reported to the IRS?		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.		X	
4 a Did the foundation have unrelated business gross income of \$1,000 or more during the year?		X	
b If 'Yes,' has it filed a tax return on Form 990-T for this year?		N/A	
5 Was there a liquidation, termination, dissolution, or substantial contraction during the year?		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?	X		
7 Did the foundation have at least \$5,000 in assets at any time during the year? If 'Yes,' complete Part II, column (c), and Part XV.	X		
8 a Enter the states to which the foundation reports or with which it is registered (see the instructions).			
N/A			
b If the answer to 'Yes' on line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General (or designate) of each state so required? If 'No,' attach explanation.	X		
9 Is the foundation claiming status as a private operating foundation within the meaning of section 4942(d)(3) or 4942(d)(5) for calendar year 2008 or the taxable year beginning in 2008 (see instructions for Part XIV)? If 'Yes,' complete Part XIV.		X	
10 Did any persons become substantial contributors during the tax year? If 'Yes,' attach a schedule listing their names and addresses.			

BAA

Form 990-PF (2008)

Form 990-PF (2008) COVENANT FOUNDATION, INC.

58-6035088

Page 5

Part VII Statements Regarding Activities Continued

11	At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If 'Yes', attach schedule (see instructions)	11		X
12	Did the foundation acquire a direct or indirect interest in any applicable insurance contract before August 17, 2008?	12		X
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application? ... Website address: <u>N/A</u>	13	X	
14	The books are in care of <u>JAY DAVIS</u> Telephone no. <u>404-696-9440</u> Located at <u>ONE NATIONAL DRIVE ATLANTA GA</u> ZIP + 4 <u>30336</u>			
15	Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041 - Check here <u>N/A</u> and enter the amount of tax-exempt interest received or accrued during the year <u>15</u> <u>N/A</u>			

Part VIII 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.

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 53.4947(c)-2 or in a current notice regarding disaster assistance (see the instructions)? ☐ Yes ☒ No
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 2008? ☐ Yes ☒ No

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 2008, did the foundation have any undistributed income (lines 6d and Fe, Part XIII) for any year(s) beginning before 2008? ☐ Yes ☒ No
If 'Yes,' list the years 20, 20, 20, 20

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.) ☐ Yes ☒ No

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 2008 as a result of (1) any purchase by the foundation or disqualified persons after May 26, 1989; (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 2008.) ☐ Yes ☒ No

4a Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes? ☐ Yes ☒ No

b Did the foundation make any investment in a prior year (but after December 31, 1966) that could jeopardize its charitable purposes that had not been removed from jeopardy before the first day of the tax year beginning in 2008? ☐ Yes ☒ No

BAA

Form 990 (2008)

Form 990-PF (2008) COVENANT FOUNDATION, INC.

58-6035088

Page 6

Part VII 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)?

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 ☒ Nob Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract? ☐ Yes ☒ No

If you answered "Yes" to 6b, also 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?

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
JAY M. DAVIS 2450 WEST WESLEY ROAD, NW ATLANTA, GA 30327	President 0	0.	0.	
ANN DAVIS 2450 WEST WESLEY ROAD, NW ATLANTA, GA 30327	Vice Preside 0	0.	0.	0

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

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

Total number of other employees paid over \$50,000

0

BAA

TEEA35086L 03/18/08

Form 990-PF (2008)

04B.012

Form 990-PF (2008) COVENANT FOUNDATION, INC.

58-6035088

Page 8

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	4,929,159.
b Average of monthly cash balances	1b	298,696.
c Fair market value of all other assets (see instructions)	1c	358,009.
d Total (add lines 1a, b, and c)	1d	5,585,864.
e Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	1e	0.
2 Acquisition indebtedness applicable to line 1 assets	2	0.
3 Subtract line 2 from line 1d	3	5,585,864.
4 Cash deemed held for charitable activities. Enter 1-1/2% of line 3 (for earlier amount, see instructions)	4	83,788.
5 Net value of non-charitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	5,502,076.
6 Minimum investment return. Enter 5% of line 5	6	275,104.

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	275,104.
2a Tax on investment income for 2008 from Part VI, line 5	2a	1,659.
b Income tax for 2008. (This does not include the tax from Part VI.)	2b	
c Add lines 2a and 2b	2c	1,659.
3 Distributable amount before adjustments. Subtract line 2c from line 1	3	273,445.
4 Recoveries of amounts treated as qualifying distributions	4	
5 Add lines 3 and 4	5	273,445.
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	273,445.

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	338,124.
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 Sustainability 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	338,124.
5 Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income. Enter 1% of Part I, line 27b (see instructions)	5	
6 Adjusted qualifying distributions. Subtract line 5 from line 4	6	338,124.

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.

BAA

Form 990-PF (2008)

Part XIII Undistributed Income (see instructions)

	(a) Corpus	(b) Years prior to 2007	(c) 2007	(d) 2008
1 Distributable amount for 2008 from Part XI, line 7.....				273,445.
2 Undistributed income, if any, as of the end of 2007:				
a Enter amount for 2007 only.....			0.	
b Total for prior years: 20____, 20____, 20____		0.		
3 Excess distributions carryover, if any, to 2008:				
a From 2003.....	812,879.			
b From 2004.....	715,706.			
c From 2005.....	1,298,066.			
d From 2006.....	52,474.			
e From 2007.....	590,217.			
f Total of lines 3a through e.....	3,469,342.			
4 Qualifying distributions for 2008 from Part XII, line 4: ▶ \$ 338,124.				
a Applied to 2007, 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 2008 distributable amount.....				45.
e Remaining amount distributed out of corpus.....	64,679.			
5 Excess distributions carryover applied to 2003 (If an amount appears in column (d), the same amount must be shown in column (e).)	0.			0.
6 Enter the net total of each column as indicated below:				
a Corpus Add line 3f, and subtract line 5.....	3,469,342.			
b Prior years' undistributed income Subtract line 4b from line 2b.....		0.		
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed.....		0.		
d Subtract line 6c from line 6b. Taxable amount - see instructions.....		0.		
e Undistributed income for 2007. Subtract line 4e from line 2a. Taxable amount - see instructions.....				
f Undistributed income for 2008. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2009.....				
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 171(a)(1)(F) or 4942(g)(3) (see instructions).....	0.			
8 Excess distributions carryover from 2003 not applied to line 5 or line 4 (see instructions).....				
9 Excess distributions carryover to 2009. Subtract lines 7 and 8 from line 6a.....				
10 Analysis of line 9:				
a Excess from 2004.....	715,706.			
b Excess from 2005.....	1,298,066.			
c Excess from 2006.....	52,474.			
d Excess from 2007.....	590,217.			
e Excess from 2008.....	64,679.			

BAA

Form 990-PF (2008)

Form 990-PF (2008) COVENANT FOUNDATION, INC.

58-6035088

Page 10

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 from the IRS on its private operating foundation status, and the ruling is effective for 2008, enter the date of the ruling: _____**b** Check box to indicate whether the foundation is a private operating foundation described in section ☐ 4942(f)(3) or ☐ 4942(f)(5)**2a** Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed: _____**b** 85% of line 2a: _____**c** Qualifying distributions from Part XII, line 4 for each year listed: _____**d** Amounts included in line 2c not used directly for active conduct of exempt activities: _____**e** Qualifying distributions made directly for active conduct of exempt activities. Subtract line 2d from line 2c: _____**3** Complete 3a, b, or c for the alternative test relied upon:**a** 'Assets' alternative test - enter:

(1) Value of all assets: _____

(2) Value of assets qualifying under section 4942(f)(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 572(a)(5)), or royalties): _____

(2) Support from general public and 5 or more exempt organizations as provided in section 4942(f)(3)(B)(ii): _____

(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).)

JAY B. JAYIS

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

None

2 Information Regarding Contribution, Grant, Gift, Loan, Scholarship, etc. Programs:Check here ☒ If the foundation only makes contributions to preselected charitable organizations and does not accept unsolicited requests for funds. If the foundation makes gifts, grants, etc. (see instructions) to individuals or organizations under other conditions, complete items 2a, b, c, and d.**a** The name, address, and telephone number of the person to whom applications should be addressed:**b** The form in which applications should be submitted and information and materials they should include:**c** Any submission deadlines:**d** Any restrictions or limitations on awards, such as by geographical areas, charitable fields, kinds of institutions, or other factors:

Form 990-PF (2008) COVENANT FOUNDATION, INC.

58-6035088

Page 11

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
<i>a Paid during the year</i> SEE DETAILED ATTACHED LIST	N/A		SEE ATTACHED LISTING	337,979.
Total			3a	337,979.
<i>b Approved for future payment</i>				
Total			3b	

BAA

TEEA0501L (3/19/08)

Form 990-PF (2008) 848

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated.

	Unrelated business income		Excluded by section 512, 513, or 514		(e) Related or exempt function income (see the instructions)
	(a) Business code	(b) Amount	(c) Exclu- sion code	(d) Amount	
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					
4 Dividends and interest from securities					83,090.
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					-399,329.
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)					-316,239.
13 Total. Add line 12, columns (b), (d), and (e)					-316,239.

(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.)

3, 4 ALL REVENUES EARNED ON TEMPORARY INVESTMENTS ARE CONTRIBUTED TO ONE OF THE FOUNDATION'S BENEFICIARIES.

	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		X
(2) Other assets		X
b Other transactions:		
(1) Sales of assets to a noncharitable exempt organization		X
(2) Purchases of assets from a noncharitable exempt organization		X
(3) Rental of facilities, equipment, or other assets		X
(4) Reimbursement arrangements		X
(5) Loans or loan guarantees		X
(6) Performance of services or membership or fundraising solicitations		X
c Sharing of facilities, equipment, mailing lists, other assets, or paid employees		X

[illegible]

(a) Name of organization	(b) Type of organization	(c) Description of relationship
N/A		

SIGN HERE	Signature of officer or trustee <i>E. W. Cook, Jr.</i>		Date 6-28-11		Title POA	
	Preparer's signature <i>E. W. Cook, Jr.</i>		Date 6/28/11		Check if self-employed ☐	
Paid Preparer's Use Only	Firm's name (or your name if self-employed) Brooks, Cook & Associates, LLC		Preparer's identifying number (See Signature in the instructions) P00393478		EIN ☐ 58-2193228	
	Address and ZIP code 8300 Dunwoody Place, Ste. 100 Atlanta, GA 30350-3303		Phone no. ☐ (770) 640-1668			

CIS CASE: DO NOT CORRESPOND FOR A SIGNATURE

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 and 990-PF
▶ See separate instructions.

OMB No. 1545-0047

2008

Name of the organization

COVENANT FOUNDATION, INC.

Employer identification number

58-6035088

Organization type (check one):

Filers of:

Form 990 or 990-EZ

Section:

- ☐ 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 organizations 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 Form 990-EZ, that met the 33-1/3% support test of the regulations under sections 509(a)(1)/70(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 Form 990, Part VIII, line 1h or 2% of the amount on Form 990-EZ, line 1. Complete Parts I and II.
- ☐ For a section 501(c)(7), (8), or (10) organization filing Form 990, or Form 990-EZ, that received from any one contributor, during the year, aggregate contributions or bequests 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 Form 990-EZ, that received from any one contributor, during the year, some 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: Organizations that are not covered by the General Rule and/or the Special Rules do not file Schedule B (Form 990, 990-EZ, or 990-PF) but they must answer 'No' on Part IV, line 2 of their Form 990, or check the box in the heading of their Form 990-EZ, or on line 2 of their Form 990-PF, to certify that they do not meet the filing requirements of Schedule B (Form 990, 990-EZ, or 990-PF).

BAA For Privacy Act and Paperwork Reduction Act Notice, see the Instructions for Form 990. These instructions will be issued separately.

Schedule B (Form 990, 990-EZ, or 990-PF) (2008)

Schedule B (Form 990, 990-EZ, or 990-PF) (2008)

Page 1 of 1 of Part I

Name of organization

COVENANT FOUNDATION, INC.

Employer identification number

58-6035088

Part I Contributors (see instructions.)

(a) Number	(b) Name, address, and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
1	JAY AND ANN DAVIS 2450 W. WESLEY ROAD, NW ATLANTA, GA 30327	\$ 1,605,000	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.)
			Person ☐ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution.)
			Person ☐ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution.)

BAA

TEEA0702L 03/05/08

Schedule B (Form 990, 990-EZ, or 990-PF) (2008)

04B.012

Page 1 of 1 of Part II

Employer identification number

58-6035068

Part III

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
1	15 SHARES OF BERKSHIRE HATHAWAY STOCK		
		\$ 1,605,000.	12/09/08
(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
		\$	
(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
		\$	
(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
		\$	
(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
		\$	
(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
		\$	
(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
		\$	

Schedule B (Form 990, 990-EZ, or 990-PF) (2008)

Page 1 of 1 of Part III

Employer identification number

58-6035088

For organizations completing Part III, enter total of exclusively religious, charitable, etc., contributions of \$1,000 or less for the year. (Enter this information once - see instructions.) \$ N/A

[illegible]

Schedule B (Form 990, 990-EZ, or 990-PF) (2008)

04B-012

2008

Federal Statements

Page 1

COVENANT FOUNDATION, INC.

58-6035088

Statement 1
Form 990-PF, Part I, Line 6a
Net Gain (Loss) from Noninventory Sales Per Books
Assets Not Included In Part IV

Description:	AMERICAN INTM BD FD OF AMERICA		
Date Acquired:	Various		
How Acquired:	Purchase		
Date Sold:	9/16/2008		
To Whom Sold:			
Gross Sales Price:	198,947.		
Cost or Other Basis:	205,336.		
Basis Method:	Cost		
Depreciation:	0.	Gain (Loss)	-6,389.
Description:	AMERICAN INTM BD FD OF AMERICA		
Date Acquired:	Various		
How Acquired:	Purchase		
Date Sold:	2/10/2009		
To Whom Sold:			
Gross Sales Price:	193,989.		
Cost or Other Basis:	205,095.		
Basis Method:	Cost		
Depreciation:	0.	Gain (Loss)	-11,106.
Description:	WILLIAMS FUND LLC		
Date Acquired:	Various		
How Acquired:	Purchase		
Date Sold:	2/19/2009		
To Whom Sold:			
Gross Sales Price:	268,466.		
Cost or Other Basis:	500,000.		
Basis Method:	Cost		
Depreciation:	0.	Gain (Loss)	-231,534.
Description:	AMERICAN INTM BD FD OF AMERICA		
Date Acquired:	Various		
How Acquired:	Purchase		
Date Sold:	2/10/2009		
To Whom Sold:			
Gross Sales Price:	13,536.		
Cost or Other Basis:	13,838.		
Basis Method:	Cost		
Depreciation:	0.	Gain (Loss)	-302.
Description:	BERKSHIRE HATHAWAY		
Date Acquired:	Various		
How Acquired:	Purchase		
Date Sold:	4/02/2009		
To Whom Sold:			
Gross Sales Price:	454,500.		
Cost or Other Basis:	535,000.		
Basis Method:	Cost		
Depreciation:	0.	Gain (Loss)	-80,500.

2008

Federal Statements

Page 2

COVENANT FOUNDATION, INC.

58-6035088

Statement 1 (continued)
Form 990-PF, Part I, Line 6a
Net Gain (Loss) from Noninventory Sales Per Books
Assets Not Included in Part IV

Description:	BERKSHIRE HATHAWAY		
Date Acquired:	Various		
How Acquired:	Purchase		
Date Sold:	7/15/2009		
To Whom Sold:			
Gross Sales Price:	899,473.		
Cost or Other Basis:	1,070,000.		
Basis Method:	Cost		
Depreciation:	0.		
		Gain (Loss)	-170,527.
Description:	ORACLE CORP		
Date Acquired:	Various		
How Acquired:	Purchase		
Date Sold:	7/10/2009		
To Whom Sold:			
Gross Sales Price:	123,232.		
Cost or Other Basis:	22,203.		
Basis Method:	Cost		
		Gain (Loss)	101,029.
		Total	<u>\$ -399,329.</u>

Statement 2
Form 990-PF, Part I, Line 23
Other Expenses

	(a) Expenses per Books	(b) Net Investment Income	(c) Adjusted Net Income	(d) Charitable Purposes
INVESTMENT FEES.....	\$ 150.	\$ 150.		
LICENSE	30.			\$ 30.
OFFICE EXPENSE.....	115.			115.
Total	<u>\$ 295.</u>	<u>\$ 150.</u>	<u>\$ 0.</u>	<u>\$ 145.</u>