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Form **990**

Department of the Treasury
Internal Revenue Service

Return of Organization Exempt From Income Tax

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

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

OMB No 1545-0047

2009

Open to Public Inspection

A For the 2009 calendar year, or tax year beginning 01-01-2009 and ending 12-31-2009

B Check if applicable
- ☑ Address change
- ☐ Name change
- ☐ Initial return
- ☐ Terminated
- ☐ Amended return
- ☐ Application pending

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

C Name of organization
Covenant Homecare

Doing Business As

Number and street (or P O box if mail is not delivered to street address) | Room/suite
1410 Centerpoint Blvd No 401

City or town, state or country, and ZIP + 4
Knoxville, TN 37932

D Employer identification number
62-1623114

E Telephone number
(865) 374-6864

G Gross receipts $ 12,115,526

F Name and address of principal officer
Anthony L Spezia
100 Fort Sanders West Blvd
Knoxville, TN 37922

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

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

H(c) Group exemption number ▶

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

J Website: ▶ www covenanthealth com

K Form of organization ☑ Corporation ☐ Trust ☐ Association ☐ Other ▶

L Year of formation 1995

M State of legal domicile TN

Part I Summary

1 Briefly describe the organization's mission or most significant activities
The mission of Covenant HomeCare is to help people live with comfort, dignity and independence Since 1995, Covenant HomeCare has been providing the highest quality home care services to help patients maintain their independence and stay at home As a member of Covenant Health, Covenant HomeCare is not-for-profit, community-owned and based in East Tennessee

2 Check this box ▶ ☐ if the organization discontinued its operations or disposed of more than 25% of its net assets

3	Number of voting members of the governing body (Part VI, line 1a)	**3**	21
4	Number of independent voting members of the governing body (Part VI, line 1b)	**4**	16
5	Total number of employees (Part V, line 2a)	**5**	180
6	Total number of volunteers (estimate if necessary)	**6**	64
7a	Total gross unrelated business revenue from Part VIII, column (C), line 12	**7a**	11,250
b	Net unrelated business taxable income from Form 990-T, line 34	**7b**	2,277

		Prior Year	Current Year
Revenue			
8	Contributions and grants (Part VIII, line 1h)	60,571	35,337
9	Program service revenue (Part VIII, line 2g)	11,475,486	12,064,547
10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	2,280	3,017
11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	13,775	11,553
12	Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	11,552,112	12,114,454
Expenses			
13	Grants and similar amounts paid (Part IX, column (A), lines 1–3)	20	6,025
14	Benefits paid to or for members (Part IX, column (A), line 4)		0
15	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)	9,124,202	9,433,652
16a	Professional fundraising fees (Part IX, column (A), line 11e)		0
b	Total fundraising expenses (Part IX, column (D), line 25) ▶0		
17	Other expenses (Part IX, column (A), lines 11a–11d, 11f–24f)	4,274,594	4,483,850
18	Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	13,398,816	13,923,527
19	Revenue less expenses Subtract line 18 from line 12	-1,846,704	-1,809,073

		Beginning of Current Year	End of Year
Net Assets or Fund Balances			
20	Total assets (Part X, line 16)	3,491,727	3,476,672
21	Total liabilities (Part X, line 26)	18,656,967	20,441,135
22	Net assets or fund balances Subtract line 21 from line 20	-15,165,240	-16,964,463

Part II Signature Block

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

Sign Here

****** | 2010-11-05
Signature of officer | Date

John T Geppi EVP/CFO
Type or print name and title

Paid Preparer's Use Only

Preparer's signature	Date	Check if self-empolyed ☐	Preparer's identifying number (see instructions)
Self-prepared			

Firm's name (or yours if self-employed), address, and ZIP + 4 ▶ | EIN ▶ | Phone no ▶

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

Part III Statement of Program Service Accomplishments

1 Briefly describe the organization's mission

Covenant Homecare provides quality healthcare, in alignment with Covenant Health's mission to serve the community by improving the quality of life through better health Please see The Report to the Community for the Covenant Health organizations, which describes the substantial benefit provided by the system, at the end of this schedule

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 $ 8,622,499 including grants of $ 6,025) (Revenue $ 9,759,905)

Provision of healthcare services in the home consisting of nursing, physical therapy, occupational therapy, speech therapy, social services and certified nursing assistants Services are provided to patients covered by Medicare, TennCare and commercial insurance, as well as self-pay with costs in excess of net reimbursement Additionally, no patient is denied care due to inability to pay, applications for financial assistance are provided to such patients and financial counselors assist them Covenant Homecare served 3,925 patients in 2009 in the course of 71,730 patient visits

4b (Code) (Expenses $ 2,438,738 including grants of $) (Revenue $ 2,304,945)

See Schedule O for more detail Expenses - $2,438,738, Revenue - $2,304,945Provision of hospice services in the home consisting of nursing, therapy, nursing assistants, spiritual services and social services Services are provided to patients covered by Medicare, TennCare, commercial insurance as well as self-pay with costs in excess of net reimbursement Additionally, no patient is denied care regardless of the ability to pay and applications for financial assistance are provided to patients with an inability to pay Covenant Homecare provides in-home care to terminally ill patients whose physicians have diagnosed them with a terminal disease that will result in death within six months of being taken under care The objective is to allow these patients to die at home with dignity Covenant Homecare served 558 patients in 2009 over the course of 13,419 visits

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** ▶ $ 11,061,237

Part IV Checklist of Required Schedules

			Yes	No
1	Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? *If "Yes," complete Schedule A*	1	Yes	
2	Is the organization required to complete Schedule B, Schedule of Contributors?	2	Yes	
3	Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? *If "Yes," complete Schedule C, Part I*	3		No
4	**Section 501(c)(3) organizations.** Did the organization engage in lobbying activities? *If "Yes," complete Schedule C, Part II*	4		No
5	**Section 501(c)(4), 501(c)(5), and 501(c)(6) organizations.** Is the organization subject to the section 6033(e) notice and reporting requirement and proxy tax? *If "Yes," complete Schedule C, Part III*	5		
6	Did the organization maintain any donor advised funds or any similar funds or accounts where donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? *If "Yes," complete Schedule D, Part I*	6		No
7	Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas or historic structures? *If "Yes," complete Schedule D, Part II*	7		No
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? *If "Yes," complete Schedule D, Part III*	8		No
9	Did the organization report an amount in Part X, line 21, serve as a custodian for amounts not listed in Part X, or provide credit counseling, debt management, credit repair, or debt negotiation services? *If "Yes," complete Schedule D, Part IV*	9		No
10	Did the organization, directly or through a related organization, hold assets in term, permanent,or quasi-endowments? *If "Yes," complete Schedule D, Part V*	10		No
11	Is the organization's answer to any of the following questions "Yes"? *If so,complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable.*	11	Yes	
	• Did the organization report an amount for land, buildings, and equipment in Part X, line10? *If "Yes," complete Schedule D, Part VI.*			
	• Did the organization report an amount for investments—other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part VII.*			
	• Did the organization report an amount for investments—program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part VIII.*			
	• Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part IX.*			
	• Did the organization report an amount for other liabilities in Part X, line 25? *If "Yes," complete Schedule D, Part X.*			
	• Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48? *If "Yes," complete Schedule D, Part X.*			
12	Did the organization obtain separate, independent audited financial statements for the tax year? *If "Yes," complete Schedule D, Parts XI, XII, and XIII*	12		No
12A	Was the organization included in consolidated, independent audited financial statements for the tax year? **Yes** / **No**			
	If "Yes," completing Schedule D, Parts XI, XII, and XIII is optional	12A	Yes	
13	Is the organization a school described in section 170(b)(1)(A)(ii)? *If "Yes," complete Schedule E*	13		No
14a	Did the organization maintain an office, employees, or agents outside of the United States?	14a		No
b	Did the organization have aggregate revenues or expenses of more than $10,000 from grantmaking, fundraising, business, and program service activities outside the United States? *If "Yes," complete Schedule F, Part I*	14b		No
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 U S ? *If "Yes," complete Schedule F, Part II*	15		No
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 U S ? *If "Yes," complete Schedule F, Part III*	16		No
17	Did the organization report a total of more than $15,000, of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? *If "Yes," complete Schedule G, Part I*	17		No
18	Did the organization report more than $15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? *If "Yes," complete Schedule G, Part II*	18		No
19	Did the organization report more than $15,000 of gross income from gaming activities on Part VIII, line 9a? *If "Yes," complete Schedule G, Part III*	19		No
20	Did the organization operate one or more hospitals? *If "Yes," complete Schedule H*	20		No

Part IV Checklist of Required Schedules *(continued)*

21	Did the organization report more than $5,000 of grants and other assistance to governments and organizations in the United States on Part IX, column (A), line 1? *If "Yes," complete Schedule I, Parts I and II*	**21**		No
22	Did the organization report more than $5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? *If "Yes," complete Schedule I, Parts I and III*	**22**	Yes	
23	Did the organization answer "Yes" to Part VII, Section A, questions 3, 4, or 5, about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? *If "Yes," complete Schedule J*	**23**	Yes	
24a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than $100,000 as of the last day of the year, that was issued after December 31, 2002? *If "Yes," answer questions 24b–24d and complete Schedule K. If "No," go to line 25*	**24a**		No
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	**24b**		
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?	**24c**		
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	**24d**		
25a	**Section 501(c)(3) and 501(c)(4) organizations.** Did the organization engage in an excess benefit transaction with a disqualified person during the year? *If "Yes," complete Schedule L, Part I*	**25a**		No
b	Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? *If "Yes," complete Schedule L, Part I*	**25b**		No
26	Was a loan to or by a current or former officer, director, trustee, key employee, highly compensated employee, or disqualified person outstanding as of the end of the organization's tax year? *If "Yes," complete Schedule L, Part II*	**26**		No
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor, or a grant selection committee member, or to a person related to such an individual? *If "Yes," complete Schedule L, Part III*	**27**		No
28	Was the organization a party to a business transaction with one of the following parties? (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions)			
a	A current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	**28a**		No
b	A family member of a current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	**28b**		No
c	An entity of which a current or former officer, director, trustee, or key employee of the organization (or a family member) was an officer, director, trustee, or owner? *If "Yes," complete Schedule L, Part IV*	**28c**		No
29	Did the organization receive more than $25,000 in non-cash contributions? *If "Yes," complete Schedule M*	**29**		No
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? *If "Yes," complete Schedule M*	**30**		No
31	Did the organization liquidate, terminate, or dissolve and cease operations? *If "Yes," complete Schedule N, Part I*	**31**		No
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? *If "Yes," complete Schedule N, Part II*	**32**		No
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301 7701-2 and 301 7701-3? *If "Yes," complete Schedule R, Part I*	**33**		No
34	Was the organization related to any tax-exempt or taxable entity? *If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1*	**34**	Yes	
35	Is any related organization a controlled entity within the meaning of section 512(b)(13)? *If "Yes," complete Schedule R, Part V, line 2*	**35**		No
36	**Section 501(c)(3) organizations.** Did the organization make any transfers to an exempt non-charitable related organization? *If "Yes," complete Schedule R, Part V, line 2*	**36**		No
37	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? *If "Yes," complete Schedule R, Part VI*	**37**		No
38	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11 and 19? **Note.** All Form 990 filers are required to complete Schedule O	**38**	Yes	

Part V Statements Regarding Other IRS Filings and Tax Compliance

				Yes	No
1a	Enter the number reported in Box 3 of Form 1096, *Annual Summary and Transmittal of U.S. Information Returns. Enter -0-* if not applicable	1a	23		
b	Enter the number of Forms W-2G included in line 1a *Enter -0-* if not applicable	1b	0		
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	1c		Yes	
2a	Enter the number of employees reported on Form W-3, *Transmittal of Wage and Tax Statements* filed for the calendar year ending with or within the year covered by this return	2a	180		
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns? **Note:** If the sum of lines 1a and 2a is greater than 250, you may be required to e-file this return (see instructions)	2b		Yes	
3a	Did the organization have unrelated business gross income of $1,000 or more during the year covered by this return?	3a		Yes	
b	If "Yes," has it filed a Form 990-T for this year? *If "No," provide an explanation in Schedule O*	3b		Yes	
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?	4a			No
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				
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year? . .	5a			No
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?	5b			No
c	If "Yes" to line 5a or 5b, did the organization file Form 8886-T, Disclosure by Tax-Exempt Entity Regarding Prohibited Tax Shelter Transaction?	5c			
6a	Does the organization have annual gross receipts that are normally greater than $100,000, and did the organization solicit any contributions that were not tax deductible?	6a			No
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	6b			
7	**Organizations that may receive deductible contributions under section 170(c).**				
a	Did the organization receive a payment in excess of $75 made partly as a contribution and partly for goods and services provided to the payor?	7a			No
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?	7b			
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?	7c			No
d	If "Yes," indicate the number of Forms 8282 filed during the year	7d			
e	Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	7e			No
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? . .	7f			No
g	For all contributions of qualified intellectual property, did the organization file Form 8899 as required? . . .	7g			
h	For contributions of cars, boats, airplanes, and other vehicles, did the organization file a Form 1098-C as required?	7h			
8	**Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations.** Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?	8			
9	**Sponsoring organizations maintaining donor advised funds.**				
a	Did the organization make any taxable distributions under section 4966?	9a			
b	Did the organization make a distribution to a donor, donor advisor, or related person?	9b			
10	**Section 501(c)(7) organizations.** Enter				
a	Initiation fees and capital contributions included on Part VIII, line 12 . . .	10a			
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	10b			
11	**Section 501(c)(12) organizations.** Enter				
a	Gross income from members or shareholders	11a			
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)	11b			
12a	**Section 4947(a)(1) non-exempt charitable trusts.** Is the organization filing Form 990 in lieu of Form 1041?	12a			
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year	12b			

Part VI **Governance, Management, and Disclosure** For each "Yes" response to lines 2 through 7b below, and for a "No" response to lines 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O. See instructions.

Section A. Governing Body and Management

				Yes	No
1a	Enter the number of voting members of the governing body	1a	21		
b	Enter the number of voting members that are independent	1b	16		
2	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?				No
3	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?				No
4	Did the organization make any significant changes to its organizational documents since the prior Form 990 was filed?				No
5	Did the organization become aware during the year of a material diversion of the organization's assets?				No
6	Does the organization have members or stockholders?				No
7a	Does the organization have members, stockholders, or other persons who may elect one or more members of the governing body?				No
b	Are any decisions of the governing body subject to approval by members, stockholders, or other persons?				No
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following				
a	The governing body?			Yes	
b	Each committee with authority to act on behalf of the governing body?			Yes	
9	Is there any officer, director, 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			Yes	

Section B. Policies (This Section B requests information about policies not required by the Internal Revenue Code.)

			Yes	No
10a	Does the organization have local chapters, branches, or affiliates?	10a		No
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?	10b		
11	Has the organization provided a copy of this Form 990 to all members of its governing body before filing the form?	11	Yes	
11A	Describe in Schedule O the process, if any, used by the organization to review the Form 990			
12a	Does the organization have a written conflict of interest policy? *If "No," go to line 13*	12a	Yes	
b	Are officers, directors or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	12b	Yes	
c	Does the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this is done	12c	Yes	
13	Does the organization have a written whistleblower policy?	13	Yes	
14	Does the organization have a written document retention and destruction policy?	14	Yes	
15	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?			
a	The organization's CEO, Executive Director, or top management official	15a	Yes	
b	Other officers or key employees of the organization	15b	Yes	
	If "Yes" to line a or b, describe the process in Schedule O (See instructions)			
16a	Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?	16a		No
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?	16b		

Section C. Disclosure

17 List the States with which a copy of this Form 990 is required to be filed ▶

18 Section 6104 requires an organization to make its Form 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 See Additional Data Table

20 State the name, physical address, and telephone number of the person who possesses the books and records of the organization ▶

Barbara Brooks
3001 Lake Brook Blvd
Knoxville, TN 37909
(865) 374-0862

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

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

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

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

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

☐ Check this box if the organization did not compensate any current or former 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			
See add'l data										

1b Total . . . . . ▶	134,055	2,044,511	419,395

2 Total number of individuals (including but not limited to those listed above) who received more than $100,000 in reportable compensation from the organization ▶ 1

			Yes	No
3	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*	**3**		No
4	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*	**4**	Yes	
5	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*	**5**		No

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

(A) Name and business address	(B) Description of services	(C) Compensation
McKesson Info Solutions One Post Street San Francisco, CA 94104	Software & telehealth maintenance	340,692
Fort Sanders Regional Medical Center 1901 W Clinch Avenue Knoxville, TN 37916	Patient services	136,106

2 Total number of independent contractors (including but not limited to those listed above) who received more than $100,000 in compensation from the organization ▶ 2

Part VIII Statement of Revenue

				(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514
Contributions, gifts, grants and other similar amounts	1a	Federated campaigns	1a				
	b	Membership dues	1b				
	c	Fundraising events	1c				
	d	Related organizations	1d	35,337			
	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 $					
	h	**Total.** Add lines 1a-1f		35,337			
Program Service Revenue			Business Code				
	2a	Medical Services	900,099	12,009,597	12,009,597		
	b	Rent - Exempt Affiliat	531,390	54,950	54,950		
	c						
	d						
	e						
	f	All other program service revenue					
	g	**Total.** Add lines 2a–2f		12,064,547			
	3	Investment income (including dividends, interest and other similar amounts)		3,708			3,708
	4	Income from investment of tax-exempt bond proceeds					
	5	Royalties					
			(i) Real	(ii) Personal			
	6a	Gross Rents					
	b	Less rental expenses					
	c	Rental income or (loss)					
	d	Net rental income or (loss)					
			(i) Securities	(ii) Other			
	7a	Gross amount from sales of assets other than inventory		381			
	b	Less cost or other basis and sales expenses		1,072			
	c	Gain or (loss)		-691			
	d	Net gain or (loss)		-691			-691
Other Revenue	8a	Gross income from fundraising events (not including $ _____ of contributions reported on line 1c) See Part IV, line 18	a				
	b	Less direct expenses	b				
	c	Net income or (loss) from fundraising events					
	9a	Gross income from gaming activities See Part IV, line 19	a				
	b	Less direct expenses	b				
	c	Net income or (loss) from gaming activities					
	10a	Gross sales of inventory, less returns and allowances	a				
	b	Less cost of goods sold	b				
	c	Net income or (loss) from sales of inventory					
		Miscellaneous Revenue	Business Code				
	11a	Information Tech Svc	621,610	11,250		11,250	
	b	Vending Machines	900,099	303	303		
	c						
	d	All other revenue					
	e	**Total.** Add lines 11a–11d		11,553			
	12	**Total revenue.** See Instructions		12,114,454	12,064,850	11,250	3,017

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	6,025	6,025		
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	175,576		175,576	
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	7,199,458	6,476,866	722,592	
8	Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	312,673	259,104	53,569	
9	Other employee benefits	1,183,125	1,016,339	166,786	
10	Payroll taxes	562,820	495,978	66,842	
11	Fees for services (non-employees)				
a	Management	1,067,646		1,067,646	
b	Legal	6,883	2,555	4,328	
c	Accounting	4,500		4,500	
d	Lobbying				
e	Professional fundraising *See Part IV, line 17*				
f	Investment management fees				
g	Other	392,390	352,360	40,030	
12	Advertising and promotion	5,946	5,161	785	
13	Office expenses	471,038	224,441	246,597	
14	Information technology				
15	Royalties				
16	Occupancy	125,419	87,978	37,441	
17	Travel	850,655	831,857	18,798	
18	Payments of travel or entertainment expenses for any federal, state, or local public officials				
19	Conferences, conventions, and meetings	15,694	66	15,628	
20	Interest	14,688	14,688		
21	Payments to affiliates				
22	Depreciation, depletion, and amortization	214,216	185,939	28,277	
23	Insurance	57,350	49,780	7,570	
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	Unrelated business inco	600		600	
b	Hospital supplies	565,224	565,224	0	
c	Charity care	244,667	244,667		
d	Bad debts	215,976	215,976		
e	Malpractice expense	177,178		177,178	
f	All other expenses	53,780	26,233	27,547	
25	**Total functional expenses.** Add lines 1 through 24f	13,923,527	11,061,237	2,862,290	0
26	**Joint costs.** Check here ▶ ☐ if following SOP 98-2 Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation				

Part X Balance Sheet

				(A) Beginning of year		(B) End of year
Assets	1	Cash—non-interest-bearing		16,309	1	6,286
	2	Savings and temporary cash investments			2	
	3	Pledges and grants receivable, net			3	
	4	Accounts receivable, net		2,280,155	4	1,844,601
	5	Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L			5	
	6	Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) Complete Part II of Schedule L			6	
	7	Notes and loans receivable, net			7	
	8	Inventories for sale or use		49,034	8	22,132
	9	Prepaid expenses and deferred charges		26,331	9	144,883
	10a	Land, buildings, and equipment cost or other basis *Complete Part VI of Schedule D*	10a 5,677,677			
	b	Less accumulated depreciation	10b 4,330,151	1,035,493	10c	1,347,526
	11	Investments—publicly traded securities			11	
	12	Investments—other securities See Part IV, line 11			12	
	13	Investments—program-related See Part IV, line 11			13	
	14	Intangible assets			14	
	15	Other assets See Part IV, line 11		84,405	15	111,244
	16	**Total assets.** Add lines 1 through 15 (must equal line 34)		3,491,727	16	3,476,672
Liabilities	17	Accounts payable and accrued expenses		1,421,884	17	1,839,192
	18	Grants payable			18	
	19	Deferred revenue		229,525	19	255,810
	20	Tax-exempt bond liabilities			20	
	21	Escrow or custodial account liability *Complete Part IV of Schedule D*			21	
	22	Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons *Complete Part II of Schedule L*			22	
	23	Secured mortgages and notes payable to unrelated third parties			23	
	24	Unsecured notes and loans payable to unrelated third parties			24	
	25	Other liabilities Complete Part X of Schedule D		17,005,558	25	18,346,133
	26	**Total liabilities.** Add lines 17 through 25		18,656,967	26	20,441,135
Net Assets or Fund Balances		**Organizations that follow SFAS 117, check here ▶ ☑ and complete lines 27 through 29, and lines 33 and 34.**				
	27	Unrestricted net assets		-15,165,240	27	-16,964,463
	28	Temporarily restricted net assets			28	
	29	Permanently restricted net assets			29	
		Organizations that do not follow SFAS 117, check here ▶ ☐ and complete lines 30 through 34.				
	30	Capital stock or trust principal, or current funds			30	
	31	Paid-in or capital surplus, or land, building or equipment fund			31	
	32	Retained earnings, endowment, accumulated income, or other funds			32	
	33	Total net assets or fund balances		-15,165,240	33	-16,964,463
	34	Total liabilities and net assets/fund balances		3,491,727	34	3,476,672

Part XI Financial Statements and Reporting

			Yes	No
1	Accounting method used to prepare the Form 990 ☐ Cash ☑ Accrual ☐ Other _____ If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O			
2a	Were the organization's financial statements compiled or reviewed by an independent accountant?	2a		No
b	Were the organization's financial statements audited by an independent accountant?	2b	Yes	
c	If "Yes," to 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant? If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O	2c	Yes	
d	If "Yes" to line 2a or 2b, check a box below to indicate whether the financial statements for the year were issued on a consolidated basis, separate basis, or both ☐ Separate basis ☑ Consolidated basis ☐ Both consolidated and separated basis			
3a	As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?	3a	Yes	
b	If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits	3b	Yes	

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SCHEDULE A (Form 990 or 990EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

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

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

OMB No 1545-0047

2009

Open to Public Inspection

Name of the organization
Covenant Homecare

Employer identification number
62-1623114

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

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

1 ☐ A church, convention of churches, or association of churches **section 170(b)(1)(A)(i).**

2 ☐ A school described in **section 170(b)(1)(A)(ii).** (Attach Schedule E)

3 ☐ A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii).**

4 ☐ A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii).** Enter the hospital's name, city, and state

_____

5 ☐ An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv).** (Complete Part II)

6 ☐ A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v).**

7 ☐ An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi)** (Complete Part II)

8 ☐ A community trust described in **section 170(b)(1)(A)(vi)** (Complete Part II)

9 ☑ An organization that normally receives (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions—subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975 See **section 509(a)(2).** (Complete Part III)

10 ☐ An organization organized and operated exclusively to test for public safety See **section 509(a)(4).**

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

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

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

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

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

	Yes	No
(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 the supported organization? **11g(i)**		
(ii) a family member of a person described in (i) above? **11g(ii)**		
(iii) a 35% controlled entity of a person described in (i) or (ii) above? **11g(iii)**		

h Provide the following information about the supported organization(s)

(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? Yes	(iv) No	(v) Did you notify the organization in col (i) of your support? Yes	(v) No	(vi) Is the organization in col (i) organized in the U S ? Yes	(vi) No	(vii) Amount of support?
Total									

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

Section A. Public Support

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

Section B. Total Support

Calendar year (or fiscal year beginning in)	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(f) Total
7 Amounts from line 4						
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income (Explain in Part IV) Do not include gain or loss from the sale of capital assets						
11 **Total support** (Add lines 7 through 10)						

12 Gross receipts from related activities, etc (See instructions) **12**

13 **First Five Years** If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a 501(c)(3) organization, check this box and **stop here** ▶☐

Section C. Computation of Public Support Percentage

14 Public Support Percentage for 2009 (line 6 column (f) divided by line 11 column (f)) **14**

15 Public Support Percentage for 2008 Schedule A, Part II, line 14 **15**

16a **33 1/3% support test—2009.** If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶☐

b **33 1/3% support test—2008.** If the organization did not check the 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 ▶☐

17a **10%-facts-and-circumstances test—2009.** If the organization did not check a box on line 13, 16a, or 16b and line 14 is 10% or more, and if the organization meets the "facts and circumstances" test, check this box and **stop here.** Explain in Part IV how the organization meets the "facts and circumstances" test The organization qualifies as a publicly supported organization ▶☐

b **10%-facts-and-circumstances test—2008.** If the organization did not check a box on line 13, 16a, 16b, or 17a and line 15 is 10% or more, and if the organization meets the "facts and circumstances" test, check this box and **stop here.** Explain in Part IV how the organization meets the "facts and circumstances" test The organization qualifies as a publicly supported organization ▶☐

18 **Private Foundation** If the organization did not check a box on line 13, 16a, 16b, 17a or 17b, check this box and see instructions ▶☐

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

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

Section A. Public Support

Calendar year (or fiscal year beginning in)	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(f) Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants ")	64,668	33,918	28,468	60,571	35,337	222,962
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose	12,418,734	12,033,700	11,197,647	11,476,011	11,820,184	58,946,276
3 Gross receipts from activities that are not an unrelated trade or business under section 513	108,476					108,476
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5 The value of services or facilities furnished by a governmental unit to the organization without charge						
6 **Total.** Add lines 1 through 5	12,591,878	12,067,618	11,226,115	11,536,582	11,855,521	59,277,714
7a Amounts included on lines 1, 2, and 3 received from disqualified persons						0
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of $5,000 or 1% of the amount on line 13 for the year						0
c Add lines 7a and 7b						0
8 **Public Support** (Subtract line 7c from line 6)						59,277,714

Section B. Total Support

Calendar year (or fiscal year beginning in)	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(f) Total
9 Amounts from line 6	12,591,878	12,067,618	11,226,115	11,536,582	11,855,521	59,277,714
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources	1,319	4,994	4,049	3,634	3,708	17,704
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b	1,319	4,994	4,049	3,634	3,708	17,704
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on				13,250	11,250	24,500
12 Other income Do not include gain or loss from the sale of capital assets (Explain in Part IV)						
13 **Total support** (Add lines 9, 10c, 11 and 12)	12,593,197	12,072,612	11,230,164	11,553,466	11,870,479	59,319,918

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

Section C. Computation of Public Support Percentage

15	Public Support Percentage for 2009 (line 8 column (f) divided by line 13 column (f))	15	99 930 %
16	Public support percentage from 2008 Schedule A, Part III, line 15	16	99 950 %

Section D. Computation of Investment Income Percentage

17	Investment income percentage for **2009** (line 10c column (f) divided by line 13 column (f))	17	0 030 %
18	Investment income percentage from **2008** Schedule A, Part III, line 17	18	0 020 %

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

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

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

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

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SCHEDULE D (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

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

OMB No 1545-0047

2009

Open to Public Inspection

Name of the organization
Covenant Homecare

Employer identification number
62-1623114

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 for any other purpose conferring 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)
☐ Preservation of land for public use (e g , recreation or pleasure)
☐ Preservation of an historically importantly land area
☐ Protection of natural habitat
☐ Preservation of a certified historic structure
☐ 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, handling of violations, and enforcement of the conservation easements it holds? ☐ Yes ☐ No

6 Staff and volunteer hours devoted to monitoring, inspecting and enforcing conservation easements during the year ▶ _____

7 Amount of expenses incurred in monitoring, inspecting, and enforcing conservation 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 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 Escrow and Custodial Arrangements. Complete if the organization answered "Yes" to Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

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

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

		Amount
c	Beginning balance	1c
d	Additions during the year	1d
e	Distributions during the year	1e
f	Ending balance	1f

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 the 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

		Yes	No
(i) unrelated organizations	3a(i)		
(ii) related organizations	3a(ii)		
b If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R?	3b		

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

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

Description of investment	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land		145,290		145,290
b Buildings		2,116,351	1,550,366	565,985
c Leasehold improvements		179,195	178,193	1,002
d Equipment		3,124,004	2,601,592	522,412
e Other		112,837		112,837
Total. Add lines 1a-1e *(Column (d) should equal Form 990, Part X, column (B), line 10(c).)* ▶				1,347,526

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	12,114,454
2	Total expenses (Form 990, Part IX, column (A), line 25)	2	13,923,527
3	Excess or (deficit) for the year Subtract line 2 from line 1	3	-1,809,073
4	Net unrealized gains (losses) on investments	4	-1,653
5	Donated services and use of facilities	5	
6	Investment expenses	6	
7	Prior period adjustments	7	
8	Other (Describe in Part XIV)	8	11,503
9	Total adjustments (net) Add lines 4 - 8	9	9,850
10	Excess or (deficit) for the year per financial statements Combine lines 3 and 9	10	-1,799,223

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	11,859,447
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			
e	Add lines **2a** through **2d**			2e	0
3	Subtract line **2e** from line **1**			3	11,859,447
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	255,007		
c	Add lines **4a** and **4b**			4c	255,007
5	Total Revenue Add lines **3** and **4c.** (This should equal Form 990, Part I, line 12)			5	12,114,454

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

1	Total expenses and losses per audited financial statements			1	13,678,860
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	Other losses	2c			
d	Other (Describe in Part XIV)	2d			
e	Add lines **2a** through **2d**			2e	0
3	Subtract line **2e** from line **1**			3	13,678,860
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	244,667		
c	Add lines **4a** and **4b**			4c	244,667
5	Total expenses Add lines **3** and **4c.** (This should equal Form 990, Part I, line 18)			5	13,923,527

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 Also complete this part to provide any additional information

Identifier	Return Reference	Explanation
Part XI, Line 8 - Other Adjustments		Change in 457B Unrealized Gain 11503
Part XII, Line 4b - Other Adjustments		Foundation funding reclassified from contributed capital to revenue 10340 Charity care 244667
Part XIII, Line 4b - Other Adjustments		Charity care 244667

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Schedule I (Form 990)

Department of the Treasury
Internal Revenue Service

Grants and Other Assistance to Organizations, Governments and Individuals in the United States

Complete if the organization answered "Yes," to Form 990, Part IV, line 21 or 22.

▶ **Attach to Form 990**

OMB No 1545-0047

2009

Open to Public Inspection

Name of the organization
Covenant Homecare

Employer identification number
62-1623114

Part I General Information on Grants and Assistance

1 Does the organization maintain records to substantiate the amount of the grants or assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance? . . . ☑ Yes ☐ No

2 Describe in Part IV the organization's procedures for monitoring the use of grant funds in the United States

Part II Grants and Other Assistance to Governments and Organizations in the United States.

Complete if the organization answered "Yes" to Form 990, Part IV, line 21 for any recipient that received more than $5,000. Check this box if no one recipient received more than $5,000. Use Part IV and Schedule I-1 (Form 990) if additional space is needed . . . ▶ ☐

(a) Name and address of organization or government	(b) EIN	(c) IRC Code section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance

2 Enter total number of section 501(c)(3) and government organizations . . . ▶

3 Enter total number of other organizations . . . ▶

Part VII Investments—Other Securities. See Form 990, Part X, line 12.

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation Cost or end-of-year market value
Financial derivatives		
Closely-held equity interests		
Other		
Total. *(Column (b) should equal Form 990, Part X, col (B) line 12)* ▶		

Part VIII Investments—Program Related. See Form 990, Part X, line 13.

(a) Description of investment type	(b) Book value	(c) Method of valuation Cost or end-of-year market value
Total. *(Column (b) should equal Form 990, Part X, col (B) line 13)* ▶		

Part IX Other Assets. See Form 990, Part X, line 15.

(a) Description	(b) Book value
Total. *(Column (b) should equal Form 990, Part X, col.(B) line 15.)* . . . . . ▶	

Part X Other Liabilities. See Form 990, Part X, line 25.

1 (a) Description of Liability	(b) Amount
Federal Income Taxes	
Due to Affiliates	17,891,209
Long-term Deferred Compensation	111,244
Other Liabilities	343,680
Total. *(Column (b) should equal Form 990, Part X, col (B) line 25)* ▶	18,346,133

2. Fin 48 Footnote In Part XIV, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48

Part III **Grants and Other Assistance to Individuals in the United States.** Complete if the organization answered "Yes" to Form 990, Part IV, line 22. Use Schedule I-1 (Form 990) if additional space is needed.

(a) Type of grant or assistance	(b) Number of recipients	(c) Amount of cash grant	(d) Amount of non-cash assistance	(e) Method of valuation (book, FMV, appraisal, other)	(f) Description of non-cash assistance
Car payment made on behalf of patient	1	451			
Gifts for children of patients	6		237	Cost	Christmas toys/gifts
Funeral assistance for families of deceased patients	8	4,000			
Payments made on behalf of patients for medications	12	713			
Payment made on behalf of patient for housing rent	1	600			

Part IV **Supplemental Information.** Complete this part to provide the information required in Part I, line 2, and any other additional information.

Identifier	Return Reference	Explanation
Procedure for Monitoring Grants in the U S	Part I, Line 2	Schedule I, Part I, Line 2 These funds are only used after a financial application is completed by our social worker(s) If the patient/family meets the guidelines CHC then purchases the product needed for patient to be safe while following plan of care to promote independence (e g shower chairs, benches, grab bars), for nutritional supplements, or medications Any assistance for services such as electricity or funeral expenses are paid directly to the service provider once presented with a statement of amount due

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Schedule J (Form 990)

Department of the Treasury
Internal Revenue Service

Compensation Information

For certain Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees
▶ Complete if the organization answered "Yes" to Form 990, Part IV, question 23.
▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2009

Open to Public Inspection

Name of the organization
Covenant Homecare

Employer identification number
62-1623114

Part I Questions Regarding Compensation

			Yes	No
1a	Check the appropiate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a Complete Part III to provide any relevant information regarding these items ☐ First-class or charter travel ☐ Housing allowance or residence for personal use ☐ Travel for companions ☐ Payments for business use of personal residence ☑ Tax idemnification and gross-up payments ☐ Health or social club dues or initiation fees ☐ Discretionary spending account ☐ Personal services (e g , maid, chauffeur, chef)			
b	If any of the boxes in line 1a are checked, did the organization follow a written policy regarding payment or reimbursement orprovision of all the expenses described above? If "No," complete Part III to explain	**1b**	Yes	
2	Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all officers, directors, trustees, and the CEO/Executive Director, regarding the items checked in line 1a?	**2**	Yes	
3	Indicate which, if any, of the following the organization uses to establish the compensation of the organization's CEO/Executive Director Check all that apply ☐ Compensation committee ☐ Written employment contract ☐ Independent compensation consultant ☐ Compensation survey or study ☐ Form 990 of other organizations ☐ Approval by the board or compensation committee			
4	During the year, did any person listed in Form 990, Part VII, Section A, line 1a with respect to the filing organization or a related organization			
a	Receive a severance payment or change-of-control payment?	**4a**		No
b	Participate in, or receive payment from, a supplemental nonqualified retirement plan?	**4b**	Yes	
c	Participate in, or receive payment from, an equity-based compensation arrangement?	**4c**		No
	If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III			
	Only 501(c)(3) and 501(c)(4) organizations only must complete lines 5-9.			
5	For persons listed in form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of			
a	The organization?	**5a**		No
b	Any related organization?	**5b**		No
	If "Yes," to line 5a or 5b, describe in Part III			
6	For persons listed in form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of			
a	The organization?	**6a**		No
b	Any related organization?	**6b**		No
	If "Yes," to line 6a or 6b, describe in Part III			
7	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III	**7**		No
8	Were any amounts reported in Form 990, Part VII, paid or accured pursuant to a contract that was subject to the initial contract exception described in Regs section 53 4958-4(a)(3)? If "Yes," describe in Part III	**8**		No
9	If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53 4958-6(c)?	**9**		

Part II Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees. Use Schedule J-1 if additional space needed.

For each individual whose compensation must be reported in Schedule J, report compensation from the organization on row (i) and from related organizations, described in the instructions on row (ii) Do not list any individuals that are not listed on Form 990, Part VII

Note. The sum of columns (B)(i)-(iii) must equal the applicable column (D) or column (E) amounts on Form 990, Part VII, line 1a

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
Anthony L Spezia	(i)	0	0	0	0	0	0	0
	(ii)	698,588	599,936	60,573	210,404	36,545	1,606,046	0
John Huskey	(i)	90,689	21,839	21,527	11,520	30,001	175,576	0
	(ii)	0	0	0	0	0	0	0
John T Geppi	(i)	0	0	0	0	0	0	0
	(ii)	369,248	260,769	41,399	84,200	46,725	802,341	0

Part III Supplemental Information

Complete this part to provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 4c, 5a, 5b, 6a, 6b, 7, and 8 Also complete this part for any additional information

Identifier	Return Reference	Explanation
	Part I, Line 1a	Tax indemnification and gross-up payments are provided to certain executives These are treated as taxable compensation to the recipient
	Part I, Line 4a	Part I, Line 4b Anthony L Spezia (compensated by Covenant Health, parent organization) $200,604 - current year contribution to 457(f) plan $178,469 - current year distribution from 457(f) p lan
Supplemental Information	Part III	Part I, Line 3 Covenant Health, the parent company of Covenant Homecare, used one or more of the methods listed in establishing the compensation of Anthony Spezia

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SCHEDULE O (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990

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

OMB No 1545-0047

2009

Open to Public Inspection

Name of the organization
Covenant Homecare

Employer identification number
62-1623114

Identifier	Return Reference	Explanation
Form 990, Part VI, Section B, line 11		A summary of Covenant Homecare's 2009 Form 990 has been prepared and presented to the Covenant Health Finance Committee and Board of Directors at their 2010 September & October meetings, respectively This entity is one member of a large integrated healthcare system which files a total of 11 Form 990s Prior to filing, the Board of Directors and Finance Committee had access to the 990s of all Covenant Health Facilities
Form 990, Part VI, Section B, line 12c		Board members, officers and employees are required to adhere to rules and policies regarding conflicts of interest Covenant Health, the parent company of the organization distributes a board approved employee handbook to all employees The handbook covers among other subjects, conflicts of interest Additionally, managers are required to complete and sign an annual management certification that addresses conflicts of interest Board members' conflicts of interests are dealt with in the corporate bylaws and board members are required to complete and sign a conflict of interest questionnaire on an annual basis The Integrity Compliance Office of the parent company maintains records that contain conflict of interest information obtained from board members, officers and employees These records are available to be queried prior to engaging in business transactions The Integrity Compliance Officer initially reviews all conflict of interest data Based on this information, the officer determines what conflicts of interest exist at that point in time Between times when surveys are collected board members are expected to disclose any new conflicts that have arisen that affect pending board decisions As well, managers and other employees are expected to report conflicts to the Integrity Compliance Officer as they arise Depending on the nature of the conflict and the circumstances surrounding the conflict and transaction, the Integrity Compliance Officer, Senior Leadership, or the Board of Directors may review the conflict of interest Where appropriate these bodies may also consult legal counsel Restrictions imposed on persons with a conflict of interest are determined on a case by case basis For Covenant Health employees, the Integrity Compliance Officer, in consultation with Senior Leadership at the facility and if necessary executive leadership at Covenant Health determines how to appropriately handle the conflict Any conflicted board member is expected to excuse himself or herself from voting on matters that give rise to the conflict
Form 990, Part VI, Section B, line 15		Line 15a Overall compensation policies for Covenant Homecare, Covenant Health (parent company), and affiliates are set by the Compensation Committee of the Board of Directors which is composed of independent members of the board The committee is guided in its decision making process by an independent, nationally recognized executive compensation consultant experienced in advising nonprofit hospital boards Such compensation policies for Anthony Spezia and John Geppi are reported on the 2009 Form 990 of Covenant Health, EIN 62-1646734, parent company to Covenant Homecare Line 15b Base salaries and annual bonus opportunities for Key Executives, John Huskey, President are set by the Covenant Health CEO or Executive Vice President-Human Resources, subject to approval of the Compensation Committee of the Covenant Health Board of Directors ("the Committee"), after review by and discussion with the executive compensation consultant ("the consultant") to insure that total compensation for each executive is reasonable and within a fair market value range Salary ranges for each executive position are based upon the recommendations of the consultant made after comparison with similar jobs in similar size health systems across the nation Bonuses are recommended by the CEO and approved by the Committee conditioned upon receipt of a written opinion from the consultant that total compensation for each Key Executive is reasonable and consistent with fair market value Base salaries are initially targeted at midpoint and vary according to the individual's experience, market conditions and competition Annual bonuses are designed to award 25-35% of base salary based upon system performance and accomplishment of certain targets established by the CEO
Form 990, Part VI, Section C, line 19		Form 990, Part VI, Section C, Line 19 Per its tax exempt bond provisions, the parent company, Covenant Health, is required to file quarterly and annual consolidated and obligated group financial statements in addition to other documentation, with various bond insurers and other agencies, including Nationally Recognized Municipal Securities Information Repositories Any member of such a repository has access to these financial statements Covenant Homecare's joint annual report is filed with the state of Tennessee
Form 990, Part XI, Line 2C		The Finance Committee of the Board of Directors assumes responsibility for oversight of the audit of the consolidated financial statements and selection of an independent accountant
Form 990, Part VI, Line 9 and Part VII	Contact Addresses for Officers, Directors, Etc	Anthony L Spezia Covenant Health 100 Ft Sanders West Blvd Knoxville, TN 37922 John T Geppi, Francis Olmstead, and all Directors Covenant Health 1410 Centerpoint Blvd , Suite 401 Knoxville, TN 37932 All other persons listed in Part VII, Section A may be contacted at the organization's address
Form 990, Part VII, Section A, Line 1a, Column B	Average Hours per Week	The President/CEO, EVP/CFO, and Board Members serve Covenant Health, EIN 62-1646734, parent company of an integrated health care delivery system, of which Covenant Homecare is a member, as a whole The hours these individuals devoted to the system in 2009 are reported on Covenant Health's Form 990, Part VII

Identifier	Return Reference	Explanation
Form 990, Part III, Line 1,	Report to the community	Service to the people and communities of East Tennessee is the cornerstone of the mission of Covenant Health, hereinafter referred to as "the System," a community-owned health system which includes acute care hospitals, outpatient facilities and clinics, and numerous specialty services The System's mission, "we serve the community by improving the quality of life through better health," has been the foundation of the services and programs offered by the System and its member organizations since it was formed through the consolidation of Fort Sanders Health System in Knoxville and MMC Healthcare System in Oak Ridge in 1996 The System is a community-owned healthcare system and provides comprehensive health services throughout East Tennessee Headquartered in Knoxville, Tennessee, the System includes six acute care hospitals with a total of more than 1,600 licensed beds, as well as numerous outpatient services and clinics The System also includes specialty providers of behavioral, oncology, and rehabilitation services, along with home care, physician clinics, community wellness programs and managed care products and services The System has more than 1,000 affiliated physicians and 9,000 employees Covenant Health, a tax-exempt entity pursuant to section 501(c)(3) of the Internal Revenue Code, is the parent company and sole member of several controlled entities Fort Loudoun Medical Center, Fort Sanders Regional Medical Center, Fort Sanders - Sevier Medical Center, Methodist Medical Center of Oak Ridge, Parkwest Medical Center, Peninsula a Division of Parkwest Medical Center, Roane Medical Center, Thompson Cancer Survival Center, Covenant HomeCare and Fort Sanders Perinatal Center These entities were established to provide healthcare services primarily to East Tennesseans in the surrounding 16-county area Operating as an integrated network of health services, Covenant Health and its affiliates seek to provide affordable, superior healthcare to patients through continued operation of both acute care and non-hospital programs The history of the System demonstrates a clear and consistent charitable purpose the provision of healthcare services to all residents of the community without regard to age, race, gender, creed, national origin, ability to pay, or physical or mental handicap Beyond the services documented in this report are countless acts of generosity by employees that will never be completely captured and reported, nor will they be forgotten by those who benefited from them One of the most tangible expressions of the System's charitable purpose is the provision of care to people unable to pay The System embraces its purpose and strives to grow the types of services not provided by other area health care providers, examples of such services include but are not limited to services provided by Peninsula, a Division of Parkwest, and the Hope Center, which provides comprehensive support services for patients with HIV/AIDS and other serious illnesses, and their families and caregivers The System provides medically necessary services to all people, regardless of their ability to pay Patients who fall below 300 percent of the federal poverty income guidelines for a 12-month period, who are unable to pay, and who have exhausted all sources of payment assistance may be eligible for charity care According to policy, patients whose annual income falls between 0-200% of federal poverty guidelines receive 100% discount while those whose income is between 201-300% of the federal poverty guidelines receive a 70% discount For those who do not fall below the guidelines but are facing difficult economic circumstances, ability to pay is determined on a case-by-case basis In particular, cases involving serious illness and/or unusually high-cost care are individually evaluated, and expectation of payment by the System is adjusted to recognize the reasonable ability of the individual patient to pay for services received For the year ending December 31, 2009, the System provided services under the previously stated policy which resulted in significant losses to the System Both inpatients and outpatients were provided care under the aforementioned policy No patient was refused necessary medical care on the basis of his or her ability to pay In addition to the level of services identified above, the System is an active participant in the State of Tennessee TennCare program The System is the area's largest TennCare provider of services to residents of East Tennessee The TennCare program seeks to provide payment for healthcare services to individuals who meet certain financial and categorical requirements Financial requirements include evaluation of both assets and income TennCare program reimbursement rates are substantially below Medicare reimbursement rates In addition to the provision of care without expectation of payment or the provision of care to TennCare-eligible people at rates substantially below charges, the System provided services to people covered under the federal Medicare program Medicare recipients were the largest single payor classification of patients served by the System The payment rate for inpatient services was on a per case rate, calculated based on the diagnostic-related group into which the patient was categorized, coupled with other factors related to area wage rates, capital costs and other variables Outpatient services were reimbursed on a pre-determined case rate Moreover, the System works diligently throughout the year to achieve its mission by supporting community health education and outreach programs The System underwrites the cost of community screenings, health fairs, outreach programs for seniors, outdoor fitness programs, community exercise classes, support groups for new parents and other specific populations, smoking cessation classes, and local wellness education programs Notable examples of these programs include Covenant Health Check, a multi-county annual screening event, now in its 26th year, which has served more than 120,000 people, Body Works, a multi-location exercise program for adults, Passport, an organization promoting health and active lifestyles for adults 50 and older, Monthly Lunch 'n Learns and Health Nights in Knox and surrounding counties, Covenant Health at the Mall, freestanding health information kiosks at two local malls, Community fitness events such as the Covenant Health Knoxville Marathon and a bike ride and foot race held in conjunction with Knoxville's Dogwood Arts Festival, Wellness programs, support groups, and outreach services sponsored by Covenant Health's member hospitals The system also funds two "hospitality house" outreach programs, one at Fort Sanders Regional Medical Center in Knoxville, and one at Methodist Medical Center in Oak Ridge These facilities provide temporary "homes away from home" for non-local patients and caregivers who are receiving ongoing medical treatment care at Covenant Health member organizations The System is committed to education in order to prepare qualified nurses and other healthcare workers for the future, and to provide continuing education for current healthcare professionals This support is shown in multiple ways, including support of Tennessee Wesleyan College - Fort Sanders Nursing, a baccalaureate level nursing education program offered under the auspices of Tennessee Wesleyan College in Athens, Tennessee, with classroom and clinical training opportunities offered in Knoxville and at various Covenant Health facilities The System also provides clinical training rotations at its hospitals and member facilities for students in area nursing and ancillary health education programs Additional program support and scholarships are given to students and to schools providing healthcare education throughout the area Special programs are offered to high school and middle school students who are interested in careers in healthcare Continuing education opportunities are provided for physicians, nurses, and other healthcare professionals on a variety of topics During 2009, the System subsidized services related to sports medicine, services for women and children, and behavioral health assessments Subsidized services are those services which are typically provided to meet an identified community need If no longer offered, the services would either be unavailable in the area or fall to the responsibility of the government or another not-for-profit system to provide

Identifier	Return Reference	Explanation
		The system also designated specific amounts as Physician subsidies to support the recruitment by the System and its affiliates of physicians and other health professionals for areas underserved or specialties not adequately served in the community High populations of Tenncare patients and uninsured patients typically reside in these areas The System supported the important work of many unaffiliated organizations and charities during 2009 While the principal community donation by the System was in the area of indigent care, donations within the context of the organization's established charitable contribution policy were also made to other causes More than 50 organizations received charitable contributions from Covenant Health and/or its member organizations in 2009, including American Cancer Society American Heart Association East Tennessee Children's Hospital Holston Home for Children Imagination Library Knoxville Track Club (for sponsorship of Covenant Health Knoxville Marathon) Senior Services Contributions and Sponsorships Susan G Komen Foundation University of Tennessee Variety Children's Charity of East Tennessee Wellness Community Donations also included support of medical mission trips to Guatemala and Haiti Community Building activities included cash, in-kind donations, and budgeted expenditures for the development of community health programs and partnerships These activities include physical improvements and housing, economic development and support system enhancements like disaster readiness, mentoring programs, and youth asset development initiatives In 2009 the System provided Community Building support to many organizations, including but not limited to Boys & Girls Club Emerald Youth Foundation Family Promise of Knoxville Interfaith Health Clinic Knoxville Academy of Medicine Project Access Knoxville Area Urban League Roane Alliance United Way Wee Course Classic In a separate but related donation category, in 2009 employees of the System also contributed financially to the System's United Way drive and Covenant Health's We Care campaign, which raises funds for charitable services provided by the System such as patient assistance with medication costs, chaplain's fund for employees in need, hospitality houses for patients from outside the area, and nursing scholarship programs The volunteer programs at the System's acute care organizations are active and vital parts of the System's success Volunteers donate time and service to Fort Loudoun Medical Center, Fort Sanders Regional Medical Center, Fort Sanders Sevier Medical Center, Methodist Medical Center, Parkwest Medical Center, Thompson Cancer Survival Center, and Covenant HomeCare At the acute care facilities, volunteers include adults, college students and teenagers working in a variety of settings such as inpatient and outpatient facility departments, patient reception areas, gift shops, fellowship centers, etc Funds raised by volunteers are donated for hospital equipment, supplies and special projects, as well as to meet charitable community needs

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SCHEDULE R (Form 990)

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

▶ Complete if the organization answered "Yes" to Form 990, Part IV, line 33, 34, 35, 36, or 37.
▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2009

Open to Public Inspection

Name of the organization
Covenant Homecare

Employer identification number
62-1623114

Part I **Identification of Disregarded Entities** (Complete if the organization answered "Yes" on Form 990, Part IV, line 33.)

(a) Name, address, and EIN of disregarded entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Total income	(e) End-of-year assets	(f) Direct controlling entity

Part II **Identification of Related Tax-Exempt Organizations** (Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related tax-exempt organizations during the tax year.)

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity

See Additional Data Table

Part III **Identification of Related Organizations Taxable as a Partnership** (Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related organizations treated as a partnership during the tax year.)

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income (related, unrelated, excluded from tax under sections 512-514)	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproportionate allocations? Yes	(h) No	(i) Code V—UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner? Yes	(j) No
Fort Sanders OP Cardiac Catheterization Ctr LLC 100 Fort Sanders West Blvd Knoxville, TN37922	Not yet in operation	TN	N/A								
Parkwest Endoscopy Center LLC 100 Fort Sanders West Blvd Knoxville, TN37922	Not yet in operation	TN	N/A								
Endoscopy Center of Oak Ridge LLC 988 Oak Ridge Turnpike Ste 220 Oak Ridge, TN37830 62-1667358	Outpatient medical facility	TN	N/A								
Fort Sanders West Outpatient Surgery Center LP 210 Fort Sanders West Blvd Ste 106 Knoxville, TN37922 62-1366907	Outpatient surgery Center	TN	N/A								
Fort Sanders West Associates 280 Fort Sanders West Blvd Ste 214 Knoxville, TN37922 62-1384171	Building ownership	TN	N/A								
Fort Sanders Endoscopy Center LLC 100 Fort Sanders West Blvd Knoxville, TN37922	Not yet in operation	TN	N/A								

Part IV **Identification of Related Organizations Taxable as a Corporation or Trust** (Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related organizations treated as a corporation or trust during the tax year.)

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership
Fortress Corporation 280 Fort Sanders West Blvd Ste 214 Knoxville, TN37922 62-1308885	Management company	TN	N/A	C			
KASC Acquistion Company 1410 Centerpoint Blvd Ste 401 Knoxville, TN37932 26-3400984	Real estate acquisitions	TN	N/A	C			
Covenant Medical Management Inc 280 Fort Sanders West Blvd Ste 205 Knoxville, TN37922 62-1282917	Physician practice management	TN	N/A	C			

Part V Transactions With Related Organizations (Complete if the organization answered "Yes" on Form 990, Part IV, line 34, 35, or 36.)

Note. Complete line 1 if any entity is listed in Parts II, III or IV

		Yes	No
1	During the tax year, did the orgranization engage in any of the following transactions with one or more related organizations listed in Parts II-IV?		
a	Receipt of **(i)** interest **(ii)** annuities **(iii)** royalties **(iv)** rent from a controlled entity	**1a**	**No**
b	Gift, grant, or capital contribution to other organization(s)	**1b**	**No**
c	Gift, grant, or capital contribution from other organization(s)	**1c**	**Yes**
d	Loans or loan guarantees to or for other organization(s)	**1d**	**No**
e	Loans or loan guarantees by other organization(s)	**1e**	**No**
f	Sale of assets to other organization(s)	**1f**	**No**
g	Purchase of assets from other organization(s)	**1g**	**No**
h	Exchange of assets	**1h**	**No**
i	Lease of facilities, equipment, or other assets to other organization(s)	**1i**	**Yes**
j	Lease of facilities, equipment, or other assets from other organization(s)	**1j**	**Yes**
k	Performance of services or membership or fundraising solicitations for other organization(s)	**1k**	**No**
l	Performance of services or membership or fundraising solicitations by other organization(s)	**1l**	**Yes**
m	Sharing of facilities, equipment, mailing lists, or other assets	**1m**	**No**
n	Sharing of paid employees	**1n**	**Yes**
o	Reimbursement paid to other organization for expenses	**1o**	**Yes**
p	Reimbursement paid by other organization for expenses	**1p**	**No**
q	Other transfer of cash or property to other organization(s)	**1q**	**No**
r	Other transfer of cash or property from other organization(s)	**1r**	**No**

2 If the answer to any of the above is "Yes," see the instructions for information on who must complete this line, including covered relationships and transaction thresholds

	(a) Name of other organization	(b) Transaction type(a-r)	(c) Amount involved
(1)			
(2)			
(3)			
(4)			
(5)			
(6)			

Part VI Unrelated Organizations Taxable as a Partnership (Complete if the organization answered "Yes" on Form 990, Part IV, line 37.)

Provide the following information for each entity taxed as a partnership through which the organization conducted more than five percent of its activities (measured by total assets or gross revenue) that was not a related organization See instructions regarding exclusion for certain investment partnerships

(a) Name, address, and EIN of entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Are all partners section 501(c)(3) organizations? Yes	(d) No	(e) Share of end-of-year assets	(f) Disproprtionate allocations? Yes	(f) No	(g) Code V—UBI amount in box 20 of Schedule K-1 (Form 1065)	(h) General or managing partner? Yes	(h) No

Additional Data Return to Form

Software ID:
Software Version:
EIN: 62-1623114
Name: Covenant Homecare

Form 990, Schedule R, Part II - Identification of Related Tax-Exempt Organizations

(a) Name, address, and EIN of related organization	(b) Primary Activity	(c) Legal Domicile (State or Foreign Country)	(d) Exempt Code section	(e) Public charity status (if 501(c)(3))	(f) Direct Controlling Entity
Fort Sanders Regional Medical Center 1901 W Clinch Avenue Knoxville, TN37916 62-0528340	Acute care hospital	TN	501(C)(3)	3	Covenant Health
Parkwest Medical Center 9352 Park West Blvd Knoxville, TN37923 58-1897274	Acute care hospital and behavioral services	TN	501(C)(3)	3	Covenant Health
Methodist Medical Center 991 Oak Ridge Turnpike Oak Ridge, TN37830 62-0636239	Acute care hospital	TN	501(C)(3)	3	Covenant Health
LeConte Medical Center (formerly Fort Sanders Sevier) 742 Middle Creek Road Sevierville, TN37862 62-1114867	Acute care hospital	TN	501(C)(3)	3	Covenant Health
Roane County Medical Center dba Roane Medical Center 412 Devonia St Harriman, TN37748 68-0673354	Acute care hospital	TN	501(C)(3)	3	Covenant Health
Fort Loudoun Medical Center 550 Fort Loudoun Medical Ctr Dr Loudon, TN37772 62-1373691	Acute care hospital	TN	501(C)(3)	3	Covenant Health
Thompson Cancer Survival Center 1915 White Avenue Knoxville, TN37916 62-1250943	Cancer treatment facility	TN	501(C)(3)	3	Covenant Health
Fort Sanders Foundation 280 Fort Sanders West Blvd Ste 100 Knoxville, TN37922 62-1748601	Fundraising and development	TN	501(C)(3)	11(A)-TYPE I	Covenant Health
Fort Sanders Perinatal Center 501 19th St Suite 304 Knoxville, TN37916 04-3760551	High risk obstetrical services	TN	501(C)(3)	3	Fort Sanders Regional Medical Center
Covenant Health 1410 Centerpoint Blvd Suite 401 Knoxville, TN37932 62-1646734	Supporting organization	TN	501(C)(3)	11(A)-TYPE II	N/A
Thompson Oncology Group 1915 White Avenue Knoxville, TN37916 62-1619239	Oncology services	TN	501(C)(3)	3	Thompson Cancer Survival Center

Additional Data

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Software Version:
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Name: Covenant Homecare

Form 990, Part VII - Compensation of Officers, Directors,Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

(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			
Anthony L Spezia President & CEO - Covena	0 00	X		X				0	1,359,097	246,949
Dr Richard Brinner Director	0 00	X						0	1,234	0
Harry M Call Director	0 00	X						0	1,005	0
Dr Mitchell Dickson Director	0 00	X						0	704	0
Pamela P Fansler Director	0 00	X						0	0	0
Dr William Hall Director	0 00	X						0	1,413	0
Wayne Heatherly Director	0 00	X						0	0	0
Karla Lane Director	0 00	X						0	1,104	0
Dr Randolph Lowry Director	0 00	X						0	0	0
Larry Mauldin Director	0 00	X						0	1,217	0
Charles T McGaha Director	0 00	X						0	1,075	0
George Miller Director	0 00	X						0	899	0
Alvin Nance Director	0 00	X						0	1,045	0
Linda N Ogle Director	0 00	X						0	0	0
Francis Olmstead Jr Chairman	0 00	X						0	1,914	0
Mitchell Steenrod Director	0 00	X						0	889	0
RB Summitt II Director	0 00	X						0	0	0
Joseph E Sutter Director	0 00	X						0	795	0
Homer Fisher Director	0 00	X						0	0	0
Joe Ben Turner Director	0 00	X						0	0	0
Jim Johnson Jr Director	0 00	X						0	704	0
John Huskey President	50 00			X				134,055	0	41,521
John T Geppi EVP/CFO	0 00			X				0	671,416	130,925

Form 990, Part IX - Statement of Functional Expenses - 24a - 24e Other Expenses

Do not include amounts reported on line 6b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
Unrelated business inco	600		600	
Hospital supplies	565,224	565,224	0	
Charity care	244,667	244,667		
Bad debts	215,976	215,976		
Malpractice expense	177,178		177,178	