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

OMB No 1545-0052

2009Department of the Treasury
Internal Revenue Service

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

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

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

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

COVENANT FOUNDATION, INC.
8122 DATAPOINT DR, #1000
SAN ANTONIO, TX 78229-3270

A Employer identification number

74-2622129

B Telephone number (see the instructions)

210-614-7051

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

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

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

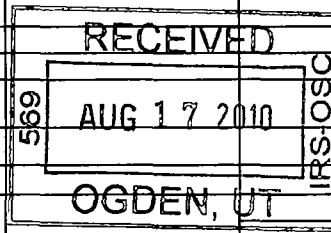
\$ 1,656,281.

J Accounting method ☐ Cash ☒ Accrual
☐ Other (specify) _____
(Part I, column (d) must be on cash basis)

Part I Analysis of Revenue and

Expenses (The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a) (see the instructions))

	(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
REVENUE				
1 Contributions, gifts, grants, etc., received (att sch)	2,666,000.			
2 Ck <input type="checkbox"/> if the foundn is not req to att Sch B				
3 Interest on savings and temporary cash investments	2,466.	2,466.	N/A	
4 Dividends and interest from securities				
5a Gross rents				
b Net rental income or (loss)				
6a Net gain/(loss) from sale of assets not on line 10	-7,220,963.			
b Gross sales price for all assets on line 6a	8,633,173.			
7 Capital gain net income (from Part IV, line 2)		8,630,263.		
8 Net short-term capital gain				
9 Income modifications				
10a Gross sales less returns and allowances				
b Less Cost of goods sold				
c Gross profit/(loss) (att sch)				
11 Other income (attach schedule)				
SEE STATEMENT 1	230,089.			
12 Total. Add lines 1 through 11	-4,322,408.	8,632,729.		
ADMINISTRATIVE AND OPERATING EXPENSES				
13 Compensation of officers, directors, trustees, etc	90,001.			
14 Other employee salaries and wages				
15 Pension plans, employee benefits				
16a Legal fees (attach schedule) SEE ST 2	5,726.	5,726.		
b Accounting fees (attach sch) SEE ST 3	1,517.			
c Other prof fees (attach sch)				
17 Interest				
18 Taxes (attach schedule)(see instr) SEE STM 4	340,536.			
19 Depreciation (attach sch) and depletion	677.			
20 Occupancy				
21 Travel, conferences, and meetings	2,482.			
22 Printing and publications				
23 Other expenses (attach schedule) SEE STATEMENT 5	5,372.	200.		
24 Total operating and administrative expenses. Add lines 13 through 23	446,311.	5,926.		
25 Contributions, gifts, grants paid PART XV	10,516,622.			10,516,622.
26 Total expenses and disbursements. Add lines 24 and 25	10,962,933.	5,926.		10,516,622.
27 Subtract line 26 from line 12:				
a Excess of revenue over expenses and disbursements	-15,285,341.			
b Net investment income (if negative, enter -0-)		8,626,803.		
c Adjusted net income (if negative, enter -0-)				



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Part II Balance Sheets

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

		Beginning of year	End of year	
		(a) Book Value	(b) Book Value	(c) Fair Market Value
ASSETS	1 Cash — non-interest-bearing	139,512.	146,988.	146,988.
	2 Savings and temporary cash investments	2,165,380.	13,504.	13,504.
	3 Accounts receivable			
	Less: allowance for doubtful accounts	55.		
	4 Pledges receivable			
	Less: allowance for doubtful accounts			
	5 Grants receivable			
	6 Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see the instructions)			
	7 Other notes and loans receivable (attach sch)			
	Less: allowance for doubtful accounts			
	8 Inventories for sale or use			
	9 Prepaid expenses and deferred charges			
	10a Investments — U.S. and state government obligations (attach schedule)			
	b Investments — corporate stock (attach schedule) STATEMENT 6	13,590,774.	376,639.	336,030.
	c Investments — corporate bonds (attach schedule)			
	11 Investments — land, buildings, and equipment basis			
LIABILITIES	Less: accumulated depreciation (attach schedule)			
	12 Investments — mortgage loans			
	13 Investments — other (attach schedule) STATEMENT 7	1,086,550.	1,158,828.	1,158,828.
	14 Land, buildings, and equipment basis 4,180.			
	Less: accumulated depreciation (attach schedule) SEE STMT 8 3,249.	1,994.	931.	931.
	15 Other assets (describe)			
	16 Total assets (to be completed by all filers — see instructions. Also, see page 1, item I)	16,984,265.	1,696,890.	1,656,281.
	17 Accounts payable and accrued expenses	3,277.	1,243.	
	18 Grants payable			
	19 Deferred revenue			
FUND ASSETS	20 Loans from officers, directors, trustees, & other disqualified persons			
	21 Mortgages and other notes payable (attach schedule)			
	22 Other liabilities (describe)			
	23 Total liabilities (add lines 17 through 22)	3,277.	1,243.	
FUND BALANCES	Foundations that follow SFAS 117, check here and complete lines 24 through 26 and lines 30 and 31.			
	24 Unrestricted			
	25 Temporarily restricted			
	26 Permanently restricted			
	Foundations that do not follow SFAS 117, check here and complete lines 27 through 31. X			
	27 Capital stock, trust principal, or current funds			
	28 Paid-in or capital surplus, or land, building, and equipment fund			
	29 Retained earnings, accumulated income, endowment, or other funds	16,980,988.	1,695,647.	
	30 Total net assets or fund balances (see the instructions)	16,980,988.	1,695,647.	
	31 Total liabilities and net assets/fund balances (see the instructions)	16,984,265.	1,696,890.	

Part III Analysis of Changes in Net Assets or Fund Balances

1 Total net assets or fund balances at beginning of year — Part II, column (a), line 30 (must agree with end-of-year figure reported on prior year's return)	1	16,980,988.
2 Enter amount from Part I, line 27a	2	-15,285,341.
3 Other increases not included in line 2 (itemize)	3	
4 Add lines 1, 2, and 3	4	1,695,647.
5 Decreases not included in line 2 (itemize)	5	
6 Total net assets or fund balances at end of year (line 4 minus line 5) — Part II, column (b), line 30	6	1,695,647.

Part IV Capital Gains and Losses for Tax on Investment Income

(a) List and describe the kind(s) of property sold (e.g., real estate, 2-story brick warehouse, or common stock, 200 shares MLC Company)		(b) How acquired P — Purchase D — Donation	(c) Date acquired (month day year)	(d) Date sold (month day year)
1a SEE STATEMENT 9				
b				
c				
d				
e				

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

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

2 Capital gain net income or (net capital loss)	<div style="border: 1px solid black; padding: 2px;"> If gain, also enter in Part I, line 7 If (loss), enter -0- in Part I, line 7 </div>		2	8,630,263.
3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6)	<div style="border: 1px solid black; padding: 2px;"> If gain, also enter in Part I, line 8, column (c) (see the instructions) If (loss), enter -0- in Part I, line 8 </div>		3	2,860,704.

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

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

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

Was the foundation liable for the section 4942 tax on the distributable amount of any year in the base period?

☐ Yes☒ No

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

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

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (column (b) divided by column (c))
2008	10,244,561.	22,744,094.	0.450427
2007	7,373,464.	27,045,446.	0.272632
2006	7,182,199.	28,730,978.	0.249981
2005	10,804,087.	41,536,641.	0.260110
2004	8,069,734.	29,679,480.	0.271896

2 Total of line 1, column (d)	2	1.505046
3 Average distribution ratio for the 5-year base period — divide the total on line 2 by 5, or by the number of years the foundation has been in existence if less than 5 years	3	0.301009
4 Enter the net value of noncharitable-use assets for 2009 from Part X, line 5	4	4,035,766.
5 Multiply line 4 by line 3	5	1,214,802.
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	86,268.
7 Add lines 5 and 6	7	1,301,070.
8 Enter qualifying distributions from Part XII, line 4	8	10,516,622.

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

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

1 a Exempt operating foundations described in section 4940(d)(2), check here <input type="checkbox"/> and enter 'N/A' on line 1. Date of ruling or determination letter _____ (attach copy of letter if necessary - see instr.)			
b Domestic foundations that meet the section 4940(e) requirements in Part V, check here <input checked="" type="checkbox"/> and enter 1% of Part I, line 27b		1	86,268.
c All other domestic foundations enter 2% of line 27b. Exempt foreign organizations enter 4% of Part I, line 12, column (b)			
2 Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)		2	0.
3 Add lines 1 and 2		3	86,268.
4 Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)		4	0.
5 Tax based on investment income. Subtract line 4 from line 3. If zero or less, enter -0-		5	86,268.
6 Credits/Payments			
a 2009 estimated tax pmts and 2008 overpayment credited to 2009	6a	224,117.	
b Exempt foreign organizations – tax withheld at source	6b		
c Tax paid with application for extension of time to file (Form 8868)	6c		
d Backup withholding erroneously withheld	6d		
7 Total credits and payments. Add lines 6a through 6d	7	224,117.	
8 Enter any penalty for underpayment of estimated tax. Check here <input checked="" type="checkbox"/> if Form 2220 is attached	8		
9 Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed	9	0.	
10 Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid	10	137,849.	
11 Enter the amount of line 10 to be Credited to 2010 estimated tax <input type="checkbox"/> 50,000. Refunded <input checked="" type="checkbox"/>	11	87,849.	

Part VII-A Statements Regarding Activities

	Yes	No
1 a During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?		X
b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see the instructions for definition)? <i>If the answer is 'Yes' to 1a or 1b, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities</i>		X
c Did the foundation file Form 1120-POL for this year?		X
d Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year: (1) On the foundation <input type="checkbox"/> \$ 0. (2) On foundation managers <input type="checkbox"/> \$ 0.		
e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers. <input type="checkbox"/> \$ 0.		
2 Has the foundation engaged in any activities that have not previously been reported to the IRS? <i>If 'Yes,' attach a detailed description of the activities</i>		X
3 Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? <i>If 'Yes,' attach a conformed copy of the changes</i>		X
4 a Did the foundation have unrelated business gross income of \$1,000 or more during the year?	X	
b If 'Yes,' has it filed a tax return on Form 990-T for this year?	X	
5 Was there a liquidation, termination, dissolution, or substantial contraction during the year? <i>If 'Yes,' attach the statement required by General Instruction T</i>		X
6 Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either: • By language in the governing instrument, or • By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?	X	
7 Did the foundation have at least \$5,000 in assets at any time during the year? <i>If 'Yes,' complete Part II, column (c), and Part XV</i>	X	
8 a Enter the states to which the foundation reports or with which it is registered (see the instructions) <u>TX</u>		
b If the answer is 'Yes' to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by General Instruction G? <i>If 'No,' attach explanation</i>	X	
9 Is the foundation claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 2009 or the taxable year beginning in 2009 (see instructions for Part XIV)? <i>If 'Yes,' complete Part XIV</i>		X
10 Did any persons become substantial contributors during the tax year? <i>If 'Yes,' attach a schedule listing their names and addresses</i>		X

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Part VII-A Statements Regarding Activities Continued

11	At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If 'Yes', attach schedule (see instructions)	11		X
12	Did the foundation acquire a direct or indirect interest in any applicable insurance contract before August 17, 2008?	12		X
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application? Website address <u>N/A</u>	13	X	
14	The books are in care of <u>KEVIN BORMANN</u> Telephone no <u>210-614-7051</u> Located at <u>8122 DATAPOINT DR #1000 SAN ANTONIO TX</u> ZIP + 4 <u>78229-3270</u>			
15	Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041 - Check here <u>N/A</u> and enter the amount of tax-exempt interest received or accrued during the year <u>15</u> <u>N/A</u>			

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

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

	Yes	No
1a During the year did the foundation (either directly or indirectly)		
(1) Engage in the sale or exchange, or leasing of property with a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(6) Agree to pay money or property to a government official? (Exception. Check 'No' if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days.) <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
b If any answer is 'Yes' to 1a(1)-(6), did any of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see the instructions)? Organizations relying on a current notice regarding disaster assistance check here <input type="checkbox"/>	1b	N/A
c Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2009?	1c	X
2 Taxes on failure to distribute income (section 4942) (does not apply for years the foundation was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5))		
a At the end of tax year 2009, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2009? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If 'Yes,' list the years <u>20__</u> , <u>20__</u> , <u>20__</u> , <u>20__</u>		
b Are there any years listed in 2a for which the foundation is not applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to all years listed, answer 'No' and attach statement - see the instructions.)	2b	N/A
c If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here <u>20__</u> , <u>20__</u> , <u>20__</u> , <u>20__</u>		
3a Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
b If 'Yes,' did it have excess business holdings in 2009 as a result of (1) any purchase by the foundation or disqualified persons after May 26, 1969, (2) the lapse of the 5-year period (or longer period approved by the Commissioner under section 4943(c)(7)) to dispose of holdings acquired by gift or bequest, or (3) the lapse of the 10-, 15-, or 20-year first phase holding period? (Use Schedule C, Form 4720, to determine if the foundation had excess business holdings in 2009.)	3b	N/A
4a Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	4a	X
b Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2009?	4b	X

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Part VII-B Statements Regarding Activities for Which Form 4720 May Be Required (continued)**5a** During the year did the foundation pay or incur any amount to

(1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))?

☐ Yes ☒ No

(2) Influence the outcome of any specific public election (see section 4955), or to carry on, directly or indirectly, any voter registration drive?

☐ Yes ☒ No

(3) Provide a grant to an individual for travel, study, or other similar purposes?

☐ Yes ☒ No

(4) Provide a grant to an organization other than a charitable, etc., organization described in section 509(a)(1), (2), or (3), or section 4940(d)(2)? (see instructions)

☐ Yes ☒ No

(5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals?

☐ Yes ☒ No**b** If any answer is 'Yes' to 5a(1)-(5), did **any** of the transactions fail to qualify under the exceptions described in Regulations section 53.4945 or in a current notice regarding disaster assistance (see instructions)?

5b N/A

Organizations relying on a current notice regarding disaster assistance check here

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

If 'Yes,' attach the statement required by Regulations section 53.4945-5(d)

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

6b X

If 'Yes' to 6b, file Form 8870

7a At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction?☐ Yes ☒ No**b** If yes, did the foundation receive any proceeds or have any net income attributable to the transaction?

7b N/A

Part VIII Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors**1** List all officers, directors, trustees, foundation managers and their compensation (see instructions).

(a) Name and address	(b) Title and average hours per week devoted to position	(c) Compensation (If not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
SEE STATEMENT 10		78,082.	1,952.	9,967.

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

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

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

0

Part VIII Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors (continued)**3** Five highest-paid independent contractors for professional services – (see instructions). If none, enter 'NONE'.

(a) Name and address of each person paid more than \$50,000	(b) Type of service	(c) Compensation
NONE		
Total number of others receiving over \$50,000 for professional services		0

Part IX-A Summary of Direct Charitable Activities

List the foundation's four largest direct charitable activities during the tax year. Include relevant statistical information such as the number of organizations and other beneficiaries served, conferences convened, research papers produced, etc.

	Expenses
1 N/A	
2	
3	
4	

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

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2	Amount
1 N/A	
2	
All other program-related investments See instructions	
3	
Total. Add lines 1 through 3	0.

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Form 990-PF (2009)

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

1	Fair market value of assets not used (or held for use) directly in carrying out charitable, etc., purposes		
a	Average monthly fair market value of securities	1a	1,685,436.
b	Average of monthly cash balances	1b	1,298,551.
c	Fair market value of all other assets (see instructions)	1c	1,113,237.
d	Total (add lines 1a, b, and c)	1d	4,097,224.
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	1e	0.
2	Acquisition indebtedness applicable to line 1 assets	2	0.
3	Subtract line 2 from line 1d	3	4,097,224.
4	Cash deemed held for charitable activities Enter 1-1/2% of line 3 (for greater amount, see instructions)	4	61,458.
5	Net value of noncharitable-use assets. Subtract line 4 from line 3 Enter here and on Part V, line 4	5	4,035,766.
6	Minimum investment return. Enter 5% of line 5	6	201,788.

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

1	Minimum investment return from Part X, line 6	1	201,788.
2a	Tax on investment income for 2009 from Part VI, line 5	2a	86,268.
b	Income tax for 2009 (This does not include the tax from Part VI)	2b	
c	Add lines 2a and 2b	2c	86,268.
3	Distributable amount before adjustments Subtract line 2c from line 1	3	115,520.
4	Recoveries of amounts treated as qualifying distributions	4	
5	Add lines 3 and 4	5	115,520.
6	Deduction from distributable amount (see instructions)	6	
7	Distributable amount as adjusted Subtract line 6 from line 5 Enter here and on Part XIII, line 1	7	115,520.

Part XII Qualifying Distributions (see instructions)

1	Amounts paid (including administrative expenses) to accomplish charitable, etc., purposes		
a	Expenses, contributions, gifts, etc. — total from Part I, column (d), line 26	1a	10,516,622.
b	Program-related investments — total from Part IX-B	1b	
2	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes	2	
3	Amounts set aside for specific charitable projects that satisfy the		
a	Suitability test (prior IRS approval required)	3a	
b	Cash distribution test (attach the required schedule)	3b	
4	Qualifying distributions Add lines 1a through 3b Enter here and on Part V, line 8, and Part XIII, line 4	4	10,516,622.
5	Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income Enter 1% of Part I, line 27b (see instructions)	5	86,268.
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6	10,430,354.

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

Part XIII Undistributed Income (see instructions)

	(a) Corpus	(b) Years prior to 2008	(c) 2008	(d) 2009
1 Distributable amount for 2009 from Part XI, line 7				115,520.
2 Undistributed income, if any, as of the end of 2009				
a Enter amount for 2008 only			0.	
b Total for prior years 20____, 20____, 20____		0.		
3 Excess distributions carryover, if any, to 2009.				
a From 2004	6,619,532.			
b From 2005	8,857,508.			
c From 2006	5,823,383.			
d From 2007	6,030,130.			
e From 2008	9,184,084.			
f Total of lines 3a through e	36,514,637.			
4 Qualifying distributions for 2009 from Part XII, line 4 ▶ \$ 10,516,622.				
a Applied to 2008, but not more than line 2a			0.	
b Applied to undistributed income of prior years (Election required – see instructions)		0.		
c Treated as distributions out of corpus (Election required – see instructions)	0.			
d Applied to 2009 distributable amount				115,520.
e Remaining amount distributed out of corpus	10,401,102.			
5 Excess distributions carryover applied to 2009 (If an amount appears in column (d), the same amount must be shown in column (a))	0.			0.
6 Enter the net total of each column as indicated below:				
a Corpus Add lines 3f, 4c, and 4e Subtract line 5	46,915,739.			
b Prior years' undistributed income Subtract line 4b from line 2b		0.		
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed		0.		
d Subtract line 6c from line 6b Taxable amount – see instructions.		0.		
e Undistributed income for 2008 Subtract line 4a from line 2a Taxable amount – see instructions			0.	
f Undistributed income for 2009 Subtract lines 4d and 5 from line 1 This amount must be distributed in 2010				0.
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (see instructions)	0.			
8 Excess distributions carryover from 2004 not applied on line 5 or line 7 (see instructions)	6,619,532.			
9 Excess distributions carryover to 2010. Subtract lines 7 and 8 from line 6a	40,296,207.			
10 Analysis of line 9				
a Excess from 2005	8,857,508.			
b Excess from 2006	5,823,383.			
c Excess from 2007	6,030,130.			
d Excess from 2008	9,184,084.			
e Excess from 2009	10,401,102.			

Part XV Supplementary Information (continued)**3 Grants and Contributions Paid During the Year or Approved for Future Payment**

<div>Recipient</div> <div>Name and address (home or business)</div>	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
<div>a Paid during the year</div> <div>SEE SCHEDULE</div>			SEE SCHEDULE	10,516,622.
Total			▶ 3a	10,516,622.
<div>b Approved for future payment</div>				
Total			▶ 3b	

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

Department of the Treasury,
Internal Revenue Service

Schedule of Contributors

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

OMB No 1545-0047

2009

Name of the organization

COVENANT FOUNDATION, INC.

Employer identification number

74-2622129

Organization type (check one).

Filers of:

Form 990 or 990-EZ

Section:

- ☐ 501(c)(____) (enter number) organization
☐ 4947(a)(1) nonexempt charitable trust **not** treated as a private foundation
☐ 527 political organization

Form 990-PF

- ☒ 501(c)(3) exempt private foundation
☐ 4947(a)(1) nonexempt charitable trust treated as a private foundation
☐ 501(c)(3) taxable private foundation

Check if your organization is covered by the **General Rule** or a **Special Rule**

Note: Only a section 501(c)(7), (8), or (10) organization can check boxes for both the General Rule and a Special Rule. See instructions.

General Rule –

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

Special Rules –

- ☐ For a section 501(c)(3) organization filing Form 990 or 990-EZ, that met the 33-1/3% support test of the regulations under sections 509(a)(1)/170(b)(1)(A)(vi) and received from any one contributor, during the year, a contribution of the greater of (1) \$5,000 or (2) 2% of the amount on (i) Form 990, Part VIII, line 1h or (ii) Form 990-EZ, line 1. Complete Parts I and II.
- ☐ For a section 501(c)(7), (8), or (10) organization filing Form 990 or 990-EZ, that received from any one contributor, during the year, aggregate contributions of more than \$1,000 for use *exclusively* for religious, charitable, scientific, literary, or educational purposes, or the prevention of cruelty to children or animals. Complete Parts I, II, and III.
- ☐ For a section 501(c)(7), (8), or (10) organization filing Form 990 or 990-EZ, that received from any one contributor, during the year, contributions for use *exclusively* for religious, charitable, etc., purposes, but these contributions did not aggregate to more than \$1,000. If this box is checked, enter here the total contributions that were received during the year for an *exclusively* religious, charitable, etc., purpose. Do not complete any of the parts unless the **General Rule** applies to this organization because it received nonexclusively religious, charitable, etc., contributions of \$5,000 or more during the year. ► \$ _____

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

BAA For Privacy Act and Paperwork Reduction Act Notice, see the Instructions for Form 990, 990-EZ, or 990-PF.

Schedule B (Form 990, 990-EZ, or 990-PF) (2009)

Name of organization

Employer identification number

COVENANT FOUNDATION, INC.

74-2622129

Part I Contributors (see instructions)

(a) Number	(b) Name, address, and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
1	BERNETA LEININGER 12000 HUEBNER RD, STE 103 SAN ANTONIO, TX 78230	\$ 26,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
2	JAMES & CECELIA LEININGER 8122 DATAPOINT DR, STE 1000 SAN ANTONIO, TX 78229	\$ 2,640,000.	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input checked="" type="checkbox"/> (Complete Part II if there is a noncash contribution)
			Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
			Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
			Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
			Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
			Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)

Name of organization

Employer identification number

COVENANT FOUNDATION, INC.

74-2622129

Part III Exclusively religious, charitable, etc, individual contributions to section 501(c)(7), (8), or (10) organizations aggregating more than \$1,000 for the year.(Complete cols (a) through (e) and the following line entry)For organizations completing Part III, enter total of *exclusively* religious, charitable, etc, contributions of **\$1,000 or less** for the year (Enter this information once — see instructions)

► \$ N/A

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held
	N/A		
	(e) Transfer of gift		
	Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee
	(e) Transfer of gift		
	Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee
	(e) Transfer of gift		
	Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee
	(e) Transfer of gift		
	Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee
	(e) Transfer of gift		
	Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee

BAA

2009

FEDERAL STATEMENTS

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CLIENT 0006

COVENANT FOUNDATION, INC.

74-2622129

8/12/10

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STATEMENT 1
FORM 990-PF, PART I, LINE 11
OTHER INCOME

	(A) REVENUE PER BOOKS	(B) NET INVESTMENT INCOME	(C) ADJUSTED NET INCOME
NET PTRSHIP INCOME-UBIT	\$ 230,089.		
TOTAL	\$ 230,089.	\$ 0.	\$ 0.

STATEMENT 2
FORM 990-PF, PART I, LINE 16A
LEGAL FEES

	(A) EXPENSES PER BOOKS	(B) NET INVESTMENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
LEGAL	\$ 5,726.	\$ 5,726.		
TOTAL	\$ 5,726.	\$ 5,726.		\$ 0.

STATEMENT 3
FORM 990-PF, PART I, LINE 16B
ACCOUNTING FEES

	(A) EXPENSES PER BOOKS	(B) NET INVESTMENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
TAX PREPARATION	\$ 1,517.			
TOTAL	\$ 1,517.	\$ 0.		\$ 0.

STATEMENT 4
FORM 990-PF, PART I, LINE 18
TAXES

	(A) EXPENSES PER BOOKS	(B) NET INVESTMENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
FORM 990-T TAXES	\$ 60,000.			
PAYROLL TAXES	5,695.			
PROPERTY TAX-FURNITURE	60.			
STATE 990T-TAX	16,781.			
TAX ON INVESTMENT INCOME	258,000.			
TOTAL	\$ 340,536.	\$ 0.		\$ 0.

2009

FEDERAL STATEMENTS

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CLIENT 0006

COVENANT FOUNDATION, INC.

74-2622129

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STATEMENT 5
FORM 990-PF, PART I, LINE 23
OTHER EXPENSES

	(A) EXPENSES PER BOOKS	(B) NET INVESTMENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
ABANDONED ASSET	\$ 385.			
DUES & SUBSCRIPTIONS	195.			
MEALS & ENTERTAINMENT	724.			
NONDEDUCTIBLE EXP-PARTNERSHIP	454.			
OFFICE EXPENSE	1,039.			
PAYROLL SERVICE FEES	1,150.			
PORTFOLIO FEES	200.	\$ 200.		
POSTAGE/FREIGHT	65.			
TELEPHONE	783.			
WARRANTY EXPENSE	377.			
TOTAL	\$ 5,372.	\$ 200.		\$ 0.

STATEMENT 6
FORM 990-PF, PART II, LINE 10B
INVESTMENTS - CORPORATE STOCKS

CORPORATE STOCKS	VALUATION METHOD	BOOK VALUE	FAIR MARKET VALUE
CLEAR WIRE HOLDINGS	COST	\$ 50,147.	\$ 9,538.
PRE-CASH, INC.	COST	42,574.	42,574.
TANGOE INC.	COST	283,918.	283,918.
TOTAL		\$ 376,639.	\$ 336,030.

STATEMENT 7
FORM 990-PF, PART II, LINE 13
INVESTMENTS - OTHER

OTHER INVESTMENTS	VALUATION METHOD	BOOK VALUE	FAIR MARKET VALUE
COVENANT CLASSICAL SCHOOLS, LLC	COST	\$ 1,136,210.	\$ 1,136,210.
METOX PARTNERS	COST	22,618.	22,618.
TOTAL		\$ 1,158,828.	\$ 1,158,828.

2009

FEDERAL STATEMENTS

PAGE 3

CLIENT 0006

COVENANT FOUNDATION, INC.

74-2622129

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STATEMENT 8
FORM 990-PF, PART II, LINE 14
LAND, BUILDINGS, AND EQUIPMENT

CATEGORY	BASIS	ACCUM. DEPREC.	BOOK VALUE	FAIR MARKET VALUE
FURNITURE AND FIXTURES	\$ 4,180.	\$ 3,249.	\$ 931.	\$ 931.
TOTAL	\$ 4,180.	\$ 3,249.	\$ 931.	\$ 931.

STATEMENT 9
FORM 990-PF, PART IV, LINE 1
CAPITAL GAINS AND LOSSES FOR TAX ON INVESTMENT INCOME

ITEM	(A) DESCRIPTION	(B) HOW ACQUIRED	(C) DATE ACQUIRED	(D) DATE SOLD
1	39700 KCI INC	DONATED	VARIOUS	VARIOUS
2	85300 KCI INC	DONATED	12/21/2007	2/02/2009
3	78328 KCI INC	DONATED	12/21/2007	VARIOUS
4	29672 KCI INC	DONATED	12/21/2007	5/01/2009
5	80000 KCI INC	DONATED	6/05/2009	VARIOUS
6	10000 KCI INC	DONATED	6/05/2009	VARIOUS
7	10000 KCI INC	DONATED	6/05/2009	9/02/2009

ITEM	(E) GROSS SALES	(F) DEPREC. ALLOWED	(G) COST BASIS	(H) GAIN (LOSS)	(I) FMV 12/31/69	(J) ADJ. BAS. 12/31/69	(K) EXCESS (I) - (J)	(L) GAIN (LOSS)
1	967,399.		340.	967,059.				\$ 967,059.
2	2178234.		747.	2177487.				2177487.
3	1874624.		686.	1873938.				1873938.
4	751,335.		260.	751,075.				751,075.
5	2208079.		701.	2207378.				2207378.
6	333,689.		88.	333,601.				333,601.
7	319,813.		88.	319,725.				319,725.
							TOTAL	\$ 8630263.

STATEMENT 10
FORM 990-PF, PART VIII, LINE 1
LIST OF OFFICERS, DIRECTORS, TRUSTEES, AND KEY EMPLOYEES

NAME AND ADDRESS	TITLE AND AVERAGE HOURS PER WEEK DEVOTED	COMPEN- SATION	CONTRI- BUTION TO EBP & DC	EXPENSE ACCOUNT/ OTHER
THOMAS W. LYLES, JR. 8122 DATAPOINT DR, #1000 SAN ANTONIO, TX 78229-3270	SECRETARY 0	\$ 0.	\$ 0.	\$ 0.
KEVIN BORMANN 8122 DATAPOINT DR, #1000 SAN ANTONIO, TX 78229-3270	TREAS/DIR 0	0.	0.	0.

CLIENT 0006

COVENANT FOUNDATION, INC.

74-2622129

8/12/10

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STATEMENT 10 (CONTINUED)
 FORM 990-PF, PART VIII, LINE 1
 LIST OF OFFICERS, DIRECTORS, TRUSTEES, AND KEY EMPLOYEES

NAME AND ADDRESS	TITLE AND AVERAGE HOURS PER WEEK DEVOTED	COMPEN- SATION	CONTRI- BUTION TO EBP & DC	EXPENSE ACCOUNT/ OTHER
JAMES R. LEININGER 8122 DATAPOINT DR, #1000 SAN ANTONIO, TX 78229-3270	CHAIRMAN/DIR 0	\$ 0.	\$ 0.	\$ 0.
CECELIA A. LEININGER 8122 DATAPOINT DR, #1000 SAN ANTONIO, TX 78229-3270	DIRECTOR 0	0.	0.	0.
TRACY M. CRAVEN 8122 DATAPOINT DR, #1000 SAN ANTONIO, TX 78229-3270	DIRECTOR 0	0.	0.	0.
BRIAN C. LEININGER 8122 DATAPOINT DR, #1000 SAN ANTONIO, TX 78229-3270	DIRECTOR 0	0.	0.	0.
KELLY C. WELCH 8122 DATAPOINT DR, #1000 SAN ANTONIO, TX 78229-3270	DIRECTOR 0	0.	0.	0.
RICHARD H. WELCH 8122 DATAPOINT DR, #1000 SAN ANTONIO, TX 78229-3270	DIRECTOR 0	0.	0.	0.
ROBERT WELCH 8122 DATAPOINT DR, #1000 SAN ANTONIO, TX 78229-3270	DIRECTOR 0	0.	0.	0.
DAVID CRAVEN 8122 DATAPOINT DR, #1000 SAN ANTONIO, TX 78229	PRES/A.SEC/DIR 40.00	78,082.	1,952.	9,967.

TOTAL \$ 78,082. \$ 1,952. \$ 9,967.

Covenant Foundation, Inc.

2009 Form 990-PF

EIN 74-2622129

Part XV - Line 3

<u>Recipients</u>	<u>Relation</u>	<u>Status</u>	<u>Purpose</u>	<u>Amount</u>
Agape Pregnancy Help Center	NONE	Public Charity	General Funding	1,000 00
Alert	NONE	Public Charity	General Funding	10,000 00
All Kids Can Learn International	NONE	Public Charity	General Funding	20,000 00
All Nations (McClung, Floyd & Sally)	NONE	Public Charity	General Funding	3,600 00
Altar Ministries (Stumpf Family)	NONE	Public Charity	General Funding	4,800 00
American Chinese Fellowship (Greenlaw)	NONE	Public Charity	General Funding	3,000 00
Antioch Ministries (Peter Glen Leininger)	NONE	Public Charity	General Funding	7,200.00
Antioch Ministries (Jose Padilla Family)	NONE	Public Charity	General Funding	7,200 00
Arab World Ministries	NONE	Public Charity	General Funding	5,000 00
Awakening for Today Ministry	NONE	Public Charity	General Funding	10,000 00
Behold One Ministries	NONE	Public Charity	General Funding	3,500 00
Bible Teaching Ministries	NONE	Public Charity	General Funding	5,000 00
Big Oak Ranch	NONE	Public Charity	General Funding	10,000 00
Birmingham Theological Seminary	NONE	Public Charity	General Funding	2,500 00
Bless India Ministries (Connelly/India Orphanage)	NONE	Public Charity	General Funding	40,000 00
Bound4Life International	NONE	Public Charity	General Funding	2,500 00
Bridge The Gap International (Kunney, Gar & Cheryl)	NONE	Public Charity	General Funding	3,000 00
Camp Eagle	NONE	Public Charity	General Funding	2,500 00
Campus Crusade for Christ	NONE	Public Charity	General Funding	31,300 00
Capitol Ministries	NONE	Public Charity	General Funding	5,000.00
CEO Foundation (Operational Funds)	NONE	Public Charity	General Funding	1,030 62
Central Christian Church (Joy Gring)	NONE	Public Charity	General Funding	3,600 00
Christian Academy of San Antonio	NONE	Public Charity	General Funding	3,768,835 00
Clebe McClary Evangelistic Assoc	NONE	Public Charity	General Funding	10,000 00
Community New Start, Inc	NONE	Public Charity	General Funding	5,000 00
Cornerstone Family Ministries (PA)	NONE	Public Charity	General Funding	1,000 00
Dayspring International	NONE	Public Charity	General Funding	5,000 00
Deeper Walk Ministries	NONE	Public Charity	General Funding	1,000 00
East West Ministries	NONE	Public Charity	General Funding	500 00
Equip India Inc	NONE	Public Charity	General Funding	5,000 00
Faith Comes By Hearing	NONE	Public Charity	General Funding	15,000 00
F E A S T	NONE	Public Charity	General Funding	23,700 00
Fellowship of Christian Athletes	NONE	Public Charity	General Funding	5,000 00
Friends of Children Everywhere (Donie & Pedro)	NONE	Public Charity	General Funding	7,200 00
Gathering Hearts for Honduras	NONE	Public Charity	General Funding	600 00
Global Impact Group	NONE	Public Charity	General Funding	1,000 00
Global Outreach Group	NONE	Public Charity	General Funding	5,000 00
Global Outreach Mission (Alex & S Sarran)	NONE	Public Charity	General Funding	4,800 00
Gospel of John Mission	NONE	Public Charity	General Funding	10,000 00
Grace House Inc	NONE	Public Charity	General Funding	2,000 00
Grace International World Outreach	NONE	Public Charity	General Funding	10,000 00
Harvest International (Lela Steel)	NONE	Public Charity	General Funding	18,000 00
Harvest International (Others)	NONE	Public Charity	General Funding	2,000 00
Heidi Group	NONE	Public Charity	General Funding	70,000 00
Hill Country Pregnancy Care Center	NONE	Public Charity	General Funding	35,000 00
Home School Foundation	NONE	Public Charity	General Funding	5,000 00
Hope For Orphans	NONE	Public Charity	General Funding	5,000 00
Institute in Basic Life Principles	NONE	Public Charity	General Funding	5,000 00
Interdenominational Christian Missions, Inc	NONE	Public Charity	General Funding	5,000 00
International Christian Mission (Vurbeff)	NONE	Public Charity	General Funding	2,700 00
Jim Ryun Ministries - Running Camps	NONE	Public Charity	General Funding	1,000 00
Joni and Friends	NONE	Public Charity	General Funding	13,500 00
Josh McDowell Ministries	NONE	Public Charity	General Funding	5,000 00
Justice For All	NONE	Public Charity	General Funding	5,000 00
Kingdom Resources (Carla & Steve)	NONE	Public Charity	General Funding	8,800 00
Life Action Ministries (Matching Gift)	NONE	Public Charity	General Funding	10,000 00

Covenant Foundation, Inc.
2009 Form 990-PF
EIN 74-2622129

Part XV - Line 3

<u>Recipients</u>	<u>Relation</u>	<u>Status</u>	<u>Purpose</u>	<u>Amount</u>
Life Choices	NONE	Public Charity	General Funding	10,000 00
Media Research Center	NONE	Public Charity	General Funding	5,000 00
Mision de Candelilla	NONE	Public Charity	General Funding	5,000 00
Mission Aviation Fellowship	NONE	Public Charity	General Funding	2,000 00
Mission Road Ministries	NONE	Public Charity	General Funding	5,000 00
Morningside Ministries	NONE	Public Charity	General Funding	5,000 00
My House Ministries	NONE	Public Charity	General Funding	10,000 00
National Council Bible Curriculum	NONE	Public Charity	General Funding	5,000 00
Navigators (Military Ministry)	NONE	Public Charity	General Funding	5,000 00
Navigators (Reynosa/Others)	NONE	Public Charity	General Funding	4,800 00
Navigators (Legg)	NONE	Public Charity	General Funding	1,000 00
New Centurions	NONE	Public Charity	General Funding	5,000 00
New Life Ministries International (VA)	NONE	Public Charity	General Funding	500 00
Norman Community Church	NONE	Public Charity	General Funding	500 00
NRA - Freedom Action Foundation	NONE	Public Charity	General Funding	25,000 00
Oil of Joy for Mourning	NONE	Public Charity	General Funding	5,000 00
Only a Servant Ministries (Kennedy/Santos/Sweet)	NONE	Public Charity	General Funding	12,000 00
Pacto con Dios Ministry (Lee Family)	NONE	Public Charity	General Funding	5,000 00
Paraclete International Ministies, Inc	NONE	Public Charity	General Funding	1,000 00
Patrick Henry College (Michael Farris)	NONE	Public Charity	General Funding	5,840,000 00
Pregnancy Care Center of San Antonio	NONE	Public Charity	General Funding	38,600 00
Proclaiming His Word (Klystra)	NONE	Public Charity	General Funding	2,400 00
Real Life Ministries (Schroders)	NONE	Public Charity	General Funding	3,600 00
Ripe for Harvest	NONE	Public Charity	General Funding	900 00
River City Christian School	NONE	Public Charity	General Funding	5,000 00
Romania Reborn	NONE	Public Charity	General Funding	5,000 00
Samantan Aviation	NONE	Public Charity	General Funding	10,000 00
San Antonio Christian Schools	NONE	Public Charity	General Funding	4,240 00
San Antonio Restoration Church	NONE	Public Charity	General Funding	1,000 00
Slavic International Association	NONE	Public Charity	General Funding	1,000 00
Sportsman's Legacy Foundation	NONE	Public Charity	General Funding	1,000 00
Southern Hills Church of Christ	NONE	Public Charity	General Funding	750 00
Still Water Christian Ministries	NONE	Public Charity	General Funding	5,000 00
Student News Daily	NONE	Public Charity	General Funding	10,000.00
Surpassing Grace	NONE	Public Charity	General Funding	2,500 00
Teen Pact	NONE	Public Charity	General Funding	5,000 00
Texas Home School Coalition	NONE	Public Charity	General Funding	15,000 00
TexasJustice Foundation	NONE	Public Charity	General Funding	18,500 00
Texas Public Policy Foundation	NONE	Public Charity	General Funding	10,000 00
The Capitol Commission	NONE	Public Charity	General Funding	5,000 00
The Mailbox Club	NONE	Public Charity	General Funding	5,000 00
The Medical Institute	NONE	Public Charity	General Funding	5,000 00
Torch of Freedom Foundation	NONE	Public Charity	General Funding	166 00
Touch The World Ministries	NONE	Public Charity	General Funding	78,000 00
Tri-Cities Christian School	NONE	Public Charity	General Funding	8,400 00
Verbo- Nicaragua (Bob Trolese)	NONE	Public Charity	General Funding	11,000 00
Way for Today Ministries, Inc (Ron Gilmore)	NONE	Public Charity	General Funding	3,600 00
Whetstone Ministries	NONE	Public Charity	General Funding	25,000 00
WIDE Ministries (Dana & Liz Sweet)	NONE	Public Charity	General Funding	5,100 00
World Concern	NONE	Public Charity	General Funding	500 00
World Harvest Mission - (PA)	NONE	Public Charity	General Funding	3,600 00
YWAM- El Paso/Juarez (Sara Gomez)	NONE	Public Charity	General Funding	7,200 00
YWAM- TX, Garden Valley	NONE	Public Charity	General Funding	14,400.00

TOTAL

10,516,621.62

Form **4562**Department of the Treasury
Internal Revenue Service (99)**Depreciation and Amortization**
(Including Information on Listed Property)

▶ See separate instructions. ▶ Attach to your tax return.

OMB No 1545-0172

2009Attachment
Sequence No **67**

Name(s) shown on return

COVENANT FOUNDATION, INC.

Identifying number

74-2622129

Business or activity to which this form relates

FORM 4562 ONLY

Part I Election To Expense Certain Property Under Section 179

Note: If you have any listed property, complete Part V before you complete Part I

1	Maximum amount See the instructions for a higher limit for certain businesses	1	\$250,000.
2	Total cost of section 179 property placed in service (see instructions)	2	
3	Threshold cost of section 179 property before reduction in limitation (see instructions)	3	\$800,000.
4	Reduction in limitation Subtract line 3 from line 2. If zero or less, enter -0-	4	
5	Dollar limitation for tax year Subtract line 4 from line 1. If zero or less, enter -0-. If married filing separately, see instructions.	5	
6	(a) Description of property	(b) Cost (business use only)	(c) Elected cost
7	Listed property Enter the amount from line 29	7	
8	Total elected cost of section 179 property Add amounts in column (c), lines 6 and 7	8	
9	Tentative deduction Enter the smaller of line 5 or line 8	9	
10	Carryover of disallowed deduction from line 13 of your 2008 Form 4562	10	
11	Business income limitation Enter the smaller of business income (not less than zero) or line 5 (see instrs)	11	
12	Section 179 expense deduction Add lines 9 and 10, but do not enter more than line 11	12	
13	Carryover of disallowed deduction to 2010 Add lines 9 and 10, less line 12	13	

Note: Do not use Part II or Part III below for listed property. Instead, use Part V

Part II Special Depreciation Allowance and Other Depreciation (Do not include listed property) (See instructions)

14	Special depreciation allowance for qualified property (other than listed property) placed in service during the tax year (see instructions)	14	
15	Property subject to section 168(f)(1) election	15	
16	Other depreciation (including ACRS)	16	

Part III MACRS Depreciation (Do not include listed property) (See instructions)**Section A**

17	MACRS deductions for assets placed in service in tax years beginning before 2009	17	677.
18	If you are electing to group any assets placed in service during the tax year into one or more general asset accounts, check here <input type="checkbox"/>		

Section B — Assets Placed in Service During 2009 Tax Year Using the General Depreciation System

(a) Classification of property	(b) Month and year placed in service	(c) Basis for depreciation (business/investment use only — see instructions)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
19a 3-year property						
b 5-year property						
c 7-year property						
d 10-year property						
e 15-year property						
f 20-year property						
g 25-year property			25 yrs		S/L	
h Residential rental property			27.5 yrs	MM	S/L	
			27.5 yrs	MM	S/L	
i Nonresidential real property			39 yrs	MM	S/L	
				MM	S/L	

Section C — Assets Placed in Service During 2009 Tax Year Using the Alternative Depreciation System

20a Class life					S/L	
b 12-year			12 yrs		S/L	
c 40-year			40 yrs	MM	S/L	

Part IV Summary (See instructions)

21	Listed property Enter amount from line 28	21	
22	Total Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21 Enter here and on the appropriate lines of your return Partnerships and S corporations — see instructions	22	677.
23	For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs	23	