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Form **990-PF**Department of the Treasury
Internal Revenue Service**Return of Private Foundation**
or Section 4947(a)(1) Nonexempt Charitable Trust
Treated as a Private Foundation

OMB No 1545-0052

2011

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

For calendar year 2011 or tax year beginning

, 2011, and ending

, 20

Name of foundation COVENANT FOUNDATION, INC.		A Employer identification number 31-1225037						
Number and street (or P O box number if mail is not delivered to street address) 3777 WEST FORK RD.		B Telephone number (see instructions) () -						
City or town, state, and ZIP code CINCINNATI, OH 45247		C If exemption application is pending, check here <input type="checkbox"/>						
G Check all that apply: <table border="1" style="display:inline-table; width:100%"> <tr> <td><input type="checkbox"/> Initial return</td> <td><input type="checkbox"/> Initial return of a former public charity</td> </tr> <tr> <td><input type="checkbox"/> Final return</td> <td><input type="checkbox"/> Amended return</td> </tr> <tr> <td><input type="checkbox"/> Address change</td> <td><input type="checkbox"/> Name change</td> </tr> </table>		<input type="checkbox"/> Initial return	<input type="checkbox"/> Initial return of a former public charity	<input type="checkbox"/> Final return	<input type="checkbox"/> Amended return	<input type="checkbox"/> Address change	<input type="checkbox"/> Name change	D 1 Foreign organizations, check here <input type="checkbox"/> 2 Foreign organizations meeting the 85% test, check here and attach computation <input type="checkbox"/>
<input type="checkbox"/> Initial return	<input type="checkbox"/> Initial return of a former public charity							
<input type="checkbox"/> Final return	<input type="checkbox"/> Amended return							
<input type="checkbox"/> Address change	<input type="checkbox"/> Name change							
H Check type of organization: <input checked="" type="checkbox"/> Section 501(c)(3) exempt private foundation <input type="checkbox"/> Section 4947(a)(1) nonexempt charitable trust <input type="checkbox"/> Other taxable private foundation		E If private foundation status was terminated under section 507(b)(1)(A), check here <input type="checkbox"/>						
I Fair market value of all assets at end of year (from Part II, col. (c), line 16) \$ 17,717,322.		F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here <input type="checkbox"/>						
J Accounting method: <input checked="" type="checkbox"/> Cash <input type="checkbox"/> Accrual <input type="checkbox"/> 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 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 (attach schedule)				
	2 Check <input type="checkbox"/> if the foundation is not required to attach Sch. B				
	3 Interest on savings and temporary cash investments				
	4 Dividends and interest from securities	204,675.	204,675.		STMT 1
	5a Gross rents				
	b Net rental income or (loss)				
	6a Net gain or (loss) from sale of assets not on line 10	60,248.			
	b Gross sales price for all assets on line 6a 60,248.				
	7 Capital gain net income (from Part IV, line 2)		60,248.		
	8 Net short-term capital gain				
	9 Income modifications				
	10a Gross sales less returns and allowances				
Operating and Administrative Expenses	b Less Cost of goods sold				
	c Gross profit or (loss) (attach schedule)				
	11 Other income (attach schedule)				
	12 Total. Add lines 1 through 11	264,923.	264,923.		
	13 Compensation of officers, directors, trustees, etc.				
	14 Other employee salaries and wages				
	15 Pension plans, employee benefits				
	16a Legal fees (attach schedule)				
	b Accounting fees (attach schedule) STMT 2	550.	275.	NONE	275
	c Other professional fees (attach schedule)				
	17 Interest				
	18 Taxes (attach schedule) (see instructions) STMT 3	17,271.			
	19 Depreciation (attach schedule) and depletion				
	20 Occupancy				
	21 Travel, conferences, and meetings				
	22 Printing and publications				
	23 Other expenses (attach schedule) STMT 4	10,648.			10,648
	24 Total operating and administrative expenses. Add lines 13 through 23	28,469.	275.	NONE	10,923
25 Contributions, gifts, grants paid	929,900.			929,900	
26 Total expenses and disbursements. Add lines 24 and 25	958,369.	275.	NONE	940,823	
27 Subtract line 26 from line 12:					
a Excess of revenue over expenses and disbursements	-693,446.				
b Net investment income (if negative, enter -0-)		264,648.			
c Adjusted net income (if negative, enter -0-)					

For Paperwork Reduction Act Notice, see instructions.

JSA

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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				
	2	Savings and temporary cash investments		1,466,066.	712,298.	712,298.
	3	Accounts receivable ▶ Less: allowance for doubtful accounts ▶				
	4	Pledges receivable ▶ Less: allowance for doubtful accounts ▶				
	5	Grants receivable				
	6	Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see instructions)				
	7	Other notes and loans receivable (attach schedule) ▶ *			*	175,534.
		Less: allowance for doubtful accounts ▶		219,417.	175,534.	175,534.
	8	Inventories for sale or use				
	9	Prepaid expenses and deferred charges				
	10 a	Investments - U S and state government obligations (attach schedule) .				
	b	Investments - corporate stock (attach schedule) . STMT 5 .		15,012,545.	15,048,337.	14,690,375.
	c	Investments - corporate bonds (attach schedule)				
	11	Investments - land, buildings, and equipment basis Less: accumulated depreciation (attach schedule) ▶				
	12	Investments - mortgage loans				
	13	Investments - other (attach schedule) STMT 6 .		1,608,780.	1,677,195.	2,139,115.
14	Land, buildings, and equipment basis Less: accumulated depreciation (attach schedule) ▶					
15	Other assets (describe ▶)					
16	Total assets (to be completed by all filers - see the instructions. Also, see page 1, item I)		18,306,808.	17,613,364.	17,717,322.	
Liabilities	17	Accounts payable and accrued expenses				
	18	Grants payable				
	19	Deferred revenue				
	20	Loans from officers, directors, trustees, and other disqualified persons .				
	21	Mortgages and other notes payable (attach schedule)				
	22	Other liabilities (describe ▶)				
23	Total liabilities (add lines 17 through 22)					
Net Assets or Fund Balances	Foundations that follow SFAS 117, check here ▶ <input type="checkbox"/> 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. ▶ <input checked="" type="checkbox"/>					
	27	Capital stock, trust principal, or current funds		NONE	NONE	
	28	Paid-in or capital surplus, or land, bldg, and equipment fund				
	29	Retained earnings, accumulated income, endowment, or other funds . .		18,306,808.	17,613,364.	
	30	Total net assets or fund balances (see instructions)		18,306,808.	17,613,364.	
	31	Total liabilities and net assets/fund balances (see instructions)		18,306,808.	17,613,364.	

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	18,306,808.
2	Enter amount from Part I, line 27a	2	-693,446.
3	Other increases not included in line 2 (itemize) ▶ SEE STATEMENT 7	3	2.
4	Add lines 1, 2, and 3	4	17,613,364.
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	17,613,364.

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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 shs MLC Co)			(b) How acquired P-Purchase D-Donation	(c) Date acquired (mo., day, yr)	(d) Date sold (mo., day, yr)
1a					
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 (Col (h) gain minus col. (k), but not less than -0-) or Losses (from col. (h))		
(i) F.M.V. as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col (i) over col (j), if any			
a					
b					
c					
d					
e					
2 Capital gain net income or (net capital loss)	<div style="display: flex; align-items: center;"> <div style="border-left: 1px solid black; border-right: 1px solid black; padding: 0 5px;"> If gain, also enter in Part I, line 7 If (loss), enter -0- in Part I, line 7 </div> </div>		2	60,248.	
3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6): If gain, also enter in Part I, line 8, column (c) (see instructions). If (loss), enter -0- in Part I, line 8	<div style="display: flex; align-items: center;"> <div style="border-left: 1px solid black; border-right: 1px solid black; padding: 0 5px;"> If gain, also enter in Part I, line 8, column (c) (see instructions). If (loss), enter -0- in Part I, line 8 </div> </div>		3		

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

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

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

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

☐ Yes ☒ No

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

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

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (col. (b) divided by col. (c))
2010	578,013.	16,025,187.	0.03606903308
2009	610,503.	13,205,883.	0.04622962357
2008	414,026.	16,548,598.	0.02501879615
2007	835,478.	18,787,815.	0.04446914130
2006	939,538.	17,270,917.	0.05440000667
2 Total of line 1, column (d)			2 0.20618660077
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 0.04123732015
4 Enter the net value of noncharitable-use assets for 2011 from Part X, line 5			4 19,379,113.
5 Multiply line 4 by line 3			5 799,143.
6 Enter 1% of net investment income (1% of Part I, line 27b)			6 2,646.
7 Add lines 5 and 6			7 801,789.
8 Enter qualifying distributions from Part XII, line 4 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.			8 940,823.

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

1a Exempt operating foundations described in section 4940(d)(2), check here <input type="checkbox"/> and enter "N/A" on line 1		
b Date of ruling or determination letter _____ (attach copy of letter if necessary - see instructions)		
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 2,646.
c All other domestic foundations enter 2% of line 27b. Exempt foreign organizations enter 4% of Part I, line 12, col (b).		
2 Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)		2
3 Add lines 1 and 2		3 2,646.
4 Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)		4 NONE
5 Tax based on investment income. Subtract line 4 from line 3. If zero or less, enter -0-		5 2,646.
6 Credits/Payments:		
a 2011 estimated tax payments and 2010 overpayment credited to 2011	6a 10,172.	
b Exempt foreign organizations - tax withheld at source	6b NONE	
c Tax paid with application for extension of time to file (Form 8868)	6c NONE	
d Backup withholding erroneously withheld	6d	
7 Total credits and payments. Add lines 6a through 6d	7 10,172.	
8 Enter any penalty for underpayment of estimated tax. Check here <input 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	
10 Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid	10 7,526.	
11 Enter the amount of line 10 to be: Credited to 2012 estimated tax <input checked="" type="checkbox"/> 2,648. Refunded <input type="checkbox"/>	11 4,878.	

Part VII-A Statements Regarding Activities

	Yes	No
1a 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 page 19 of the instructions for definition)?		X
If the answer is "Yes" to 1a or 1b, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities		
c Did the foundation file Form 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 checked="" type="checkbox"/> \$ _____ (2) On foundation managers <input checked="" type="checkbox"/> \$ _____		
e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers <input checked="" type="checkbox"/> \$ _____		
2 Has the foundation engaged in any activities that have not previously been reported to the IRS?		X
If "Yes," attach a detailed description of the activities		
3 Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? If "Yes," attach a conformed copy of the changes		X
4a 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?		
5 Was there a liquidation, termination, dissolution, or substantial contraction during the year?		X
If "Yes," attach the statement required by General Instruction T		
6 Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either: • By language in the governing instrument, or • By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?	X	
7 Did the foundation have at least \$5,000 in assets at any time during the year? If "Yes," complete Part II, col (c), and Part XV	X	
8a Enter the states to which the foundation reports or with which it is registered (see instructions) <input checked="" type="checkbox"/> OH		
b If the answer is "Yes" to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by General Instruction G? If "No," attach explanation	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 2011 or the taxable year beginning in 2011 (see instructions for Part XIV)? If "Yes," complete Part XIV		X
10 Did any persons become substantial contributors during the tax year? If "Yes," attach a schedule listing their names and addresses		X

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 make a distribution to a donor advised fund over which the foundation or a disqualified person had advisory privileges? If "Yes," attach statement (see instructions)	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>TIMOTHY E. JOHNSON</u> Telephone no. <u></u> Located at <u>3777 WEST FORK ROAD, CINCINNATI, OH</u> ZIP + 4 <u>45247</u>			
15	Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041 - Check here <input type="checkbox"/> and enter the amount of tax-exempt interest received or accrued during the year <u>15</u>			
16	At any time during calendar year 2011, did the foundation have an interest in or a signature or other authority over a bank, securities, or other financial account in a foreign country? See the instructions for exceptions and filing requirements for Form TD F 90-22.1. If "Yes," enter the name of the foreign country <u></u>	16	Yes	No X

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 instructions)? <input type="checkbox"/> Organizations relying on a current notice regarding disaster assistance check here <input type="checkbox"/>	1b	
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 2011? <input type="checkbox"/>	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 2011, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2011? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If "Yes," list the years <u></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 instructions.) <input type="checkbox"/>	2b	X
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></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 2011 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 2011.) <input type="checkbox"/>	3b	
4a Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes? <input type="checkbox"/>	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 2011? <input type="checkbox"/>	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**Organizations relying on a current notice regarding disaster assistance check here ☐**c** If the answer is "Yes" to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant? ☐ Yes ☐ No

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

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

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? ☐ Yes ☒ No**7b****Part VIII Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors****1** List all officers, directors, trustees, foundation managers and their compensation (see instructions).

(a) Name and address	(b) Title, and average hours per week devoted to position	(c) Compensation (if not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
SEE STATEMENT 8		-0-	-0-	-0-

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

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

Total number of other employees paid over \$50,000 ☐ NONE

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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		NONE
Total number of others receiving over \$50,000 for professional services		NONE

Part IX-A Summary of Direct Charitable Activities

List the foundation's four largest direct charitable activities during the tax year. Include relevant statistical information such as the number of organizations and other beneficiaries served, conferences convened, research papers produced, etc.	Expenses
1 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 NONE	
Total. Add lines 1 through 3	

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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	16,548,822.
b	Average of monthly cash balances	1b	1,117,448.
c	Fair market value of all other assets (see instructions)	1c	2,007,956.
d	Total (add lines 1a, b, and c)	1d	19,674,226.
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	1e	
2	Acquisition indebtedness applicable to line 1 assets	2	NONE
3	Subtract line 2 from line 1d	3	19,674,226.
4	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions)	4	295,113.
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	19,379,113.
6	Minimum investment return. Enter 5% of line 5	6	968,956.

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	968,956.
2a	Tax on investment income for 2011 from Part VI, line 5	2a	2,646.
b	Income tax for 2011. (This does not include the tax from Part VI.)	2b	
c	Add lines 2a and 2b	2c	2,646.
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	966,310.
4	Recoveries of amounts treated as qualifying distributions	4	NONE
5	Add lines 3 and 4	5	966,310.
6	Deduction from distributable amount (see instructions)	6	NONE
7	Distributable amount as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1	7	966,310.

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	940,823.
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	NONE
3	Amounts set aside for specific charitable projects that satisfy the:		
a	Suitability test (prior IRS approval required)	3a	NONE
b	Cash distribution test (attach the required schedule)	3b	NONE
4	Qualifying distributions. Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	4	940,823.
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	2,646.
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6	938,177.

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 2010	(c) 2010	(d) 2011
1 Distributable amount for 2011 from Part XI, line 7				966,310.
2 Undistributed income, if any, as of the end of 2011				
a Enter amount for 2010 only			608,450.	
b Total for prior years 20 <u>09</u> , 20 <u> </u> , 20 <u> </u>		NONE		
3 Excess distributions carryover, if any, to 2011.				
a From 2006	NONE			
b From 2007	NONE			
c From 2008	NONE			
d From 2009	NONE			
e From 2010	NONE			
f Total of lines 3a through e	NONE			
4 Qualifying distributions for 2011 from Part XII, line 4. ► \$ <u>940,823.</u>				
a Applied to 2010, but not more than line 2a			608,450.	
b Applied to undistributed income of prior years (Election required - see instructions)		NONE		
c Treated as distributions out of corpus (Election required - see instructions)	NONE			
d Applied to 2011 distributable amount				332,373.
e Remaining amount distributed out of corpus	NONE			
5 Excess distributions carryover applied to 2011 (If an amount appears in column (d), the same amount must be shown in column (a).)	NONE			NONE
6 Enter the net total of each column as indicated below:				
a Corpus Add lines 3f, 4c, and 4e Subtract line 5	NONE			
b Prior years' undistributed income Subtract line 4b from line 2b		NONE		
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		NONE		
d Subtract line 6c from line 6b Taxable amount - see instructions		NONE		
e Undistributed income for 2010. Subtract line 4a from line 2a. Taxable amount - see instructions				
f Undistributed income for 2011. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2012				633,937.
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (see instructions)	NONE			
8 Excess distributions carryover from 2006 not applied on line 5 or line 7 (see instructions)	NONE			
9 Excess distributions carryover to 2012. Subtract lines 7 and 8 from line 6a	NONE			
10 Analysis of line 9:				
a Excess from 2007	NONE			
b Excess from 2008	NONE			
c Excess from 2009	NONE			
d Excess from 2010	NONE			
e Excess from 2011	NONE			

Part XIV Private Operating Foundations (see instructions and Part VII-A, question 9)**NOT APPLICABLE****1a** If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 2011, enter the date of the ruling**b** Check box to indicate whether the foundation is a private operating foundation described in section

4942(j)(3) or

4942(j)(5)

2a Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed

Tax year

Prior 3 years

(e) Total

(a) 2011

(b) 2010

(c) 2009

(d) 2008

b 85% of line 2a**c** Qualifying distributions from Part XII, line 4 for each year listed**d** Amounts included in line 2c not used directly for active conduct of exempt activities**e** Qualifying distributions made directly for active conduct of exempt activities. Subtract line 2d from line 2c**3** Complete 3a, b, or c for the alternative test relied upon**a** "Assets" alternative test - enter

(1) Value of all assets

(2) Value of assets qualifying under section 4942(j)(3)(B)(i).

b "Endowment" alternative test - enter 2/3 of minimum investment return shown in Part X, line 6 for each year listed**c** "Support" alternative test - enter

(1) Total support other than gross investment income (interest, dividends, rents, payments on securities loans (section 512(a)(5)), or royalties).

(2) Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(iii).

(3) Largest amount of support from an exempt organization

(4) Gross investment income

Part XV Supplementary Information (Complete this part only if the foundation had \$5,000 or more in assets at any time during the year - see instructions.)**1 Information Regarding Foundation Managers:****a** List any managers of the foundation who have contributed more than 2% of the total contributions received by the foundation before the close of any tax year (but only if they have contributed more than \$5,000). (See section 507(d)(2).)

NONE

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

NONE

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

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

Recipient	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
Name and address (home or business)				
a Paid during the year SEE STATEMENT 9				
Total			3a	929,900.
b Approved for future payment				
Total			3b	

FORM 990PF, PART I - DIVIDENDS AND INTEREST FROM SECURITIES

=====

DESCRIPTION	REVENUE AND EXPENSES PER BOOKS	NET INVESTMENT INCOME
-----	-----	-----
I SHARES RUSSELL 2000 INDEX FUND	1,133.	1,133.
JOHNSON MUTUAL FUNDS TR GROWTH FUND	34,101.	34,101.
JOHNSON DISCIPLINED MID-CAP FD	1,574.	1,574.
JOHNSON MUTUAL FUNDS TR FIXED INC FD	100,999.	100,999.
JOHNSON MUTUAL FUNDS TR REALTY FUND	35,059.	35,059.
JOHNSON MUT FDS TR INTERNATIONAL FD	8,366.	8,366.
UNIPAC V LLC	23,443.	23,443.
	-----	-----
TOTAL	204,675.	204,675.
	=====	=====

FORM 990PF, PART I - ACCOUNTING FEES
=====

DESCRIPTION -----	REVENUE AND EXPENSES PER BOOKS -----	NET INVESTMENT INCOME -----	ADJUSTED NET INCOME -----	CHARITABLE PURPOSES -----
TAX PREPARATION FEE (NON-ALLOC	550.	275.		275.
TOTALS	550.	275.	NONE	275.
	=====	=====	=====	=====

FORM 990PF, PART I - TAXES

=====

DESCRIPTION -----	REVENUE AND EXPENSES PER BOOKS -----
FEDERAL TAX PAYMENT - PRIOR YE	7,099.
FEDERAL ESTIMATES - PRINCIPAL	10,172.

TOTALS	17,271.
	=====

FORM 990PF, PART I - OTHER EXPENSES
=====

REVENUE
AND
EXPENSES
PER BOOKS

CHARITABLE
PURPOSES

DESCRIPTION

OTHER NON-ALLOCABLE EXPENSE -

10,648.

10,648.

TOTALS

10,648.
=====

10,648.
=====

COVENANT FOUNDATION, INC.

31-1225037

FORM 990PF, PART II - CORPORATE STOCK
=====

DESCRIPTION -----	BEGINNING BOOK VALUE -----	ENDING BOOK VALUE -----	ENDING FMV ---
MUTUAL FUNDS - EQUITY	12,007,631.	12,010,848.	11,502,219.
MUTUAL FUNDS - INCOME FUNDS	3,004,914.	3,037,489.	3,188,156.
	-----	-----	-----
TOTALS	15,012,545.	15,048,337.	14,690,375.
	=====	=====	=====

INDUSTRY ANALYSIS

DECEMBER 31, 2011

Account # 2813

COVENANT FOUNDATION

QUANTITY	ASSET DESCRIPTION	TOTAL COST	AVG. UNIT COST	MARKET PRICE	MARKET VALUE	UNIT INCOME	EST. ANNUAL INCOME	CURRENT YIELD	% OF PORT.	YLD. TO DUE DATE
FIXED INCOME										
TAXABLE BONDS FUNDS										
183,861 361	JOHNSON FIXED INCOME FUND	3,037,489	16.52	17.34	3,188,156	0.56	102,962	3.2	20.5	0.0
	TOTAL TAXABLE BONDS FUNDS	\$3,037,489			\$3,188,156		\$102,962		20.5 %	
	TOTAL FIXED INCOME	\$3,037,489			\$3,188,156		\$102,962		20.5 %	
COMMON EQUITY										
INTERNATIONAL EQUITIES										
18,757.524	JOHNSON INTERNATIONAL FUND	410,482	21.88	19.44	364,646	0.45	8,441	2.3	2.3	
	TOTAL INTERNATIONAL EQUITIES	\$410,482			\$364,646		\$8,441		2.3 %	
LARGE CAPITALIZATION CORE										
240,145 032	JOHNSON GROWTH FUND	5,304,524	22.09	21.70	5,211,147	0.14	34,101	0.6	33.5	
	TOTAL LARGE CAPITALIZATION CORE	\$5,304,524			\$5,211,147		\$34,101		33.5 %	
MID CAPITALIZATION CORE										
87,463.911	JOHNSON DISCIPLINED MID-CAP FUND	2,459,545	28.12	27.64	2,417,503	0.02	1,574	0.0	15.5	
	TOTAL MID CAPITALIZATION CORE	\$2,459,545			\$2,417,503		\$1,574		15.5 %	
REALTY FUNDS										
240,576 100	JOHNSON REALTY FUND	3,431,098	14.26	13.32	3,204,474	0.25	59,663	1.8	20.6	
	TOTAL REALTY FUNDS	\$3,431,098			\$3,204,474		\$59,663		20.6 %	
SMALL CAPITALIZATION CORE										
1,100	ISHARES RUSSELL 2000 INDEX FUND	55,198	50.18	73.75	81,125	1.44	1,582	1.9	0.5	
19,886.364	JOHNSON DISCIPLINED SMALL-CAP FUND	350,000	17.60	11.23	223,324	0.00	0	0.0	1.4	
	TOTAL SMALL CAPITALIZATION CORE	\$405,198			\$304,449		\$1,582		2.0 %	
	TOTAL COMMON EQUITY	\$12,010,848			\$11,502,219		\$105,361		73.8 %	
OTHER INVESTMENTS										
NOTES RECEIVABLE										
175,533.720	UNIPAC V, LLC INVESTMENT AGMT	175,534	1.00	1.00	175,534	0.06	10,181	0.0	1.1	

DTD 05/15/2007, AMENDED 10/11/2011;
5.8% DUE 5/31/2016
5.800% DUE 05/15/16 DATED 05/15/07

INDUSTRY ANALYSIS

DECEMBER 31, 2011

Account # 2813

COVENANT FOUNDATION

QUANTITY	ASSET DESCRIPTION	TOTAL COST	AVG. UNIT COST	MARKET PRICE	MARKET VALUE	UNIT INCOME	EST. ANNUAL INCOME	CURRENT YIELD	% OF PORT.
	TOTAL NOTES RECEIVABLE	\$175,534			\$175,534		\$10,181		1.1 %
	TOTAL OTHER INVESTMENTS	\$175,534			\$175,534		\$10,181		1.1 %
	CASH & EQUIVALENTS								
	BANK MONEY MARKET FUNDS								
56 560	ACCRUED INTEREST AND DIVIDENDS	57	1.00	1.00	57	0.00	0	0.0	0.0
712,297 650	CASH AND EQUIVALENTS	712,298	1.00	1.00	712,298	0.00	0	0.0	4.6
	TOTAL BANK MONEY MARKET FUNDS	\$712,354			\$712,354		\$0		4.5 %
	TOTAL CASH & EQUIVALENTS	\$712,354			\$712,354		\$0		4.5 %
	PORTFOLIO TOTAL	\$15,936,224			\$15,578,262		\$218,504	1.4 %	100.0 %

COVENANT FOUNDATION, INC.

31-1225037

FORM 990PF, PART II - OTHER INVESTMENTS
=====

DESCRIPTION -----	COST/ FMV C OR F -----	BEGINNING BOOK VALUE -----	ENDING BOOK VALUE -----	ENDING FMV ---
NORTHWESTERN LIFE INS POLICY C		1,607,436.	1,675,401.	2,138,893.
LINCOLN NATIONAL LIFE INS. POL C		1,344.	1,794.	222.
		-----	-----	-----
TOTALS		1,608,780. =====	1,677,195. =====	2,139,115. =====

FORM 990PF, PART III - OTHER INCREASES IN NET WORTH OR FUND BALANCES
=====DESCRIPTION
-----AMOUNT

ADJUSTMENT - ROUNDING

2.

TOTAL

2.
=====

FORM 990PF, PART VIII - LIST OF OFFICERS, DIRECTORS, AND TRUSTEES

=====

OFFICER NAME:

TIMOTHY E. JOHNSON

ADDRESS:

3777 WEST FORK RD.

CINCINNATI, OH 45247

TITLE:

DIRECTOR

AVERAGE HOURS PER WEEK DEVOTED TO POSITION: 1

OFFICER NAME:

JANET L. JOHNSON

ADDRESS:

3777 WEST FORK RD.

CINCINNATI, OH 45247

TITLE:

DIRECTOR

AVERAGE HOURS PER WEEK DEVOTED TO POSITION: 1

OFFICER NAME:

TIMOTHY C. GEHNER

ADDRESS:

3777 WEST FORK RD.

CINCINNATI, OH 45247

TITLE:

DIRECTOR

AVERAGE HOURS PER WEEK DEVOTED TO POSITION: 1

OFFICER NAME:

SUSAN R. PAGLIARO

ADDRESS:

3777 WEST FORK RD.

CINCINNATI, OH 45247

TITLE:

DIRECTOR

AVERAGE HOURS PER WEEK DEVOTED TO POSITION: 1

COVENANT FOUNDATION, INC.

31-1225037

FORM 990PF, PART XV, LINE 3 - CONTRIBUTIONS, GIFTS, GRANTS PAID

=====

RECIPIENT NAME:

SEE ATTACHED LIST

AMOUNT OF GRANT PAID 929,900.

TOTAL GRANTS PAID:

929,900.

=====

Covenant Foundation - 2011
Statement 8, Form 990-PF, Part XV, Line 3A
Grants and Contributions Paid During 2011

Name and Address	Relationship	Status	Grant/ Contribution	Amount
Alliance Defense Fund 15333 N Prima Road, Suite 165 Scottsdale, AZ 85260	None	N/A	Operating Fund	\$3,000
African Enterprise 128 E Palm Avenue Monrovia, CA 91016	None	N/A	Operating Fund	\$13,500
Breakthrough Urban Ministries P O Box 47200 Chicago, IL 60647	None	N/A	Operating Fund	\$300,000
Campus Crusade for Christ P O Box 628222 Orlando, FL 32862-9841	None	N/A	Operating Fund	\$20,900
Christian Community Development Association Attn: Noel Castellanos, CEO, CCDA 1100 W Cermak, Suite B414 Chicago, IL 60608	None	N/A	Operating Fund	\$12,500
Christian Legal Society 8001 Braddock Road, Suite 300 Springfield, VA 22151	None	N/A	Operating Fund	\$6,000
Christian Radio for Russia c/o First Covenant Church 520 Spring Street Jamestown, NY 14701	None	N/A	Operating Fund	\$20,000
Cincinnati Christian University 2700 Glenway Avenue Cincinnati, OH 45204	None	N/A	Operating Fund	\$3,000
City Gospel Mission 1947 Auburn Ave Cincinnati, OH 45219	None	N/A	Operating Fund	\$20,000
Coalition for Christian Outreach 5912 Penn Avenue Pittsburgh, PA 15206-3805 Attn: Dan Dupee	None	N/A	Operating Fund	\$3,000
Commission to Every Nation P O Box 291307 Kerrville, TX 78029-1307	None	N/A	Operating Fund	\$5,000
Compassion International 12290 Voyager Parkway Colorado Springs, CO 80921	None	N/A	Operating Fund	\$5,000
Crossroads Community Church 3500 Madison Road Cincinnati, OH 45209	None	N/A	Operating Fund	\$100,000
Evangelical Association for the Promotion of Education P O Box 7238 St Davids, PA 19087	None	N/A	Operating Fund	\$5,000
Evangelical Covenant Church - Camp Mission Meadows P O Box 42 Dewittville, NY 14728-0042 Karen Yeversky	None	N/A	Operating Fund	\$50,000
FOCAS P O Box 428760 Cincinnati, OH 45242-8760	None	N/A	Operating Fund	\$20,000
Free Wheelchair Mission 9341 Irvine Boulevard Irvine, CA 92618	None	N/A	Operating Fund	\$1,000
Frontiers P.O. Box 60730 Phoenix, AZ 85082-0730	None	N/A	Operating Fund	\$5,000
Fuller Theological Seminary Office of Financial Aid 135 N Oakland Avenue Pasadena, CA 91182	None	N/A	Operating Fund	\$2,000
The King's Court Foundation 1106 E Topeka Street Pasadena, CA 91104	None	N/A	Operating Fund	\$2,000

Covenant Foundation - 2011
Statement 8, Form 990-PF, Part XV, Line 3A
Grants and Contributions Paid During 2011

Name and Address	Relationship	Status	Grant/ Contribution	Amount
Gordon Conwell Theological Seminary 14542 Choate Circle Charlotte, NC 28273	None	N/A	Operating Fund	\$2,000
Great Commission Ministries P O Box 7101 Winter Park, FL 32793	None	N/A	Operating Fund	\$3,600
L'Abri Fellowship Foundation 1465 12th Avenue Northeast Rochester, MN 55906-4383	None	N/A	Operating Fund	\$10,000
Mission Aviation Fellowship P O Box 47 Nampa, ID 83653	None	N/A	Operating Fund	\$5,000
North Park University 3225 West Foster Avenue Chicago, IL 60625	None	N/A	Operating Fund	\$10,000
Montana de Luz P O Box 140 Worthington, OH 43085	None	N/A	Operating Fund	\$7,500
Mission to the World P O Box 116284 Atlanta, GA 30368	None	N/A	Operating Fund	\$1,200
Orchard Group Inc. 51 Middlesey St , Unit 101 N Chelmsford, MA 01863	None	N/A	Operating Fund	\$50,000
Pittsburgh Theological Seminary Attn Development Office 616 North Highland Avenue Pittsburgh, PA 15206	None	N/A	Operating Fund	\$2,000
Restavek (Jean Cadet) Foundation 11160 Kenwood Road, Suite 200 Cincinnati, OH 45242	None	N/A	Operating Fund	\$5,000
Rhema Christian Center P O Box 247198 Columbus, OH 43224	None	N/A	Operating Fund	\$2,500
SonLight Power 7859 Bobolink Drive Cincinnati, OH 45224	None	N/A	Operating Fund	\$3,500
The UndergroundZone Ministries (formerly Victory Videos, Inc) 1140 Smiley Avenue Cincinnati, OH 45240	None	N/A	Operating Fund	\$6,000
VisionQuest Alliance 18950 Base Camp Road Monument, CO 80132	None	N/A	Operating Fund	\$7,000
World Gospel Mission P O Box 948 Marion, IN 46952-0948	None	N/A	Operating Fund	\$12,000
World Radio Missionary Fellowship (DBA HCJB Global) P O Box 39800 Colorado Springs, CO 80949 (HCJB)	None	N/A	Operating Fund	\$18,000
Wycliffe Bible Translators, Inc. P O Box 628200 Orlando, FL 32862-8211	None	N/A	Operating Fund	\$5,500 \$1,000
Yale University, Divinity School 409 Prospect Street New Haven, CT 06511	None	N/A	Operating Fund	\$2,000
Young Life Young Life Services Center Attn Income Processing P O Box 520 Colorado Springs, CO 80901	None	N/A	Operating Fund	\$179,200
TOTAL:				\$929,900

FEDERAL CAPITAL GAIN DIVIDENDS

=====

SHORT-TERM CAPITAL GAIN DIVIDENDS

JOHNSON MUTUAL FUNDS TR FIXED INC FD

8,917.00

TOTAL SHORT-TERM CAPITAL GAIN DIVIDENDS

8,917.00

=====

LONG-TERM CAPITAL GAIN DIVIDENDS

15% RATE CAPITAL GAIN DIVIDENDS

JOHNSON MUTUAL FUNDS TR FIXED INC FD

62.00

23,657.00

JOHNSON MUTUAL FUNDS TR REALTY FUND

24,363.00

JOHNSON MUT FDS TR INTERNATIONAL FD

3,216.00

LITIGATION PROCEEDS

32.00

TOTAL 15% RATE CAPITAL GAIN DIVIDENDS

51,331.00

TOTAL LONG-TERM CAPITAL GAIN DIVIDENDS

51,331.00

=====