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Form **990**  
 Department of the Treasury  
 Internal Revenue Service

**Return of Organization Exempt From Income Tax**  
**Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)**

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

OMB No 1545-0047  
**2011**  
**Open to Public Inspection**

**A For the 2011 calendar year, or tax year beginning 02-01-2011 and ending 01-31-2012**

<b>B</b> Check if applicable: <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Terminated <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	<b>C</b> Name of organization Covenant Retirement Communities Inc Doing Business As		<b>D</b> Employer identification number 36-3478388
	Number and street (or P O box if mail is not delivered to street address) Room/suite 5700 Old Orchard Rd		<b>E</b> Telephone number (773) 878-2294
	City or town, state or country, and ZIP + 4 Skokie, IL 60077		<b>G</b> Gross receipts \$ 28,187,094
	<b>F</b> Name and address of principal officer Elizabeth Buikema c/o CRC 5700 Old Orchard Rd Skokie, IL 60077		<b>H(a)</b> Is this a group return for affiliates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <b>H(b)</b> Are all affiliates included? <input type="checkbox"/> Yes <input type="checkbox"/> No If "No," attach a list (see instructions) <b>H(c)</b> Group exemption number ▶ 2650

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

**J Website:** ▶ www.covenantretirement.org

**K** Form of organization  Corporation  Trust  Association  Other ▶ **L** Year of formation 1980 **M** State of legal domicile IL

**Part I Summary**

<b>Activities &amp; Governance</b>	<b>1</b> Briefly describe the organization's mission or most significant activities Care for senior adults		
	<b>2</b> Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets		
	<b>3</b> Number of voting members of the governing body (Part VI, line 1a)	<b>3</b>	21
	<b>4</b> Number of independent voting members of the governing body (Part VI, line 1b)	<b>4</b>	17
	<b>5</b> Total number of individuals employed in calendar year 2011 (Part V, line 2a)	<b>5</b>	110
	<b>6</b> Total number of volunteers (estimate if necessary)	<b>6</b>	20
	<b>7a</b> Total unrelated business revenue from Part VIII, column (C), line 12	<b>7a</b>	0
<b>b</b> Net unrelated business taxable income from Form 990-T, line 34	<b>7b</b>	0	
<b>Revenue</b>	<b>8</b> Contributions and grants (Part VIII, line 1h)	<b>Prior Year</b>	<b>Current Year</b>
	<b>9</b> Program service revenue (Part VIII, line 2g)	2,379	12,945
	<b>10</b> Investment income (Part VIII, column (A), lines 3, 4, and 7d)	21,719,257	19,227,728
	<b>11</b> Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	9,165,695	7,906,364
	<b>12</b> Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	1,813,970	1,003,567
<b>Expenses</b>	<b>13</b> Grants and similar amounts paid (Part IX, column (A), lines 1-3)	32,701,301	28,150,604
	<b>14</b> Benefits paid to or for members (Part IX, column (A), line 4)	26,250	13,000
	<b>15</b> Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)	0	0
	<b>16a</b> Professional fundraising fees (Part IX, column (A), line 11e)	8,173,441	7,475,067
	<b>b</b> Total fundraising expenses (Part IX, column (D), line 25) ▶ 3,304,540	0	0
	<b>17</b> Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e)	17,705,632	58,007,100
	<b>18</b> Total expenses Add lines 13-17 (must equal Part IX, column (A), line 25)	25,905,323	65,495,167
<b>19</b> Revenue less expenses Subtract line 18 from line 12	6,795,978	-37,344,563	
<b>Net Assets or Fund Balances</b>	<b>20</b> Total assets (Part X, line 16)	<b>Beginning of Current Year</b>	<b>End of Year</b>
	<b>21</b> Total liabilities (Part X, line 26)	140,802,070	118,898,146
	<b>22</b> Net assets or fund balances Subtract line 21 from line 20	99,074,796	113,255,955
		41,727,274	5,642,191

**Part II Signature Block**

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

<b>Sign Here</b>	***** Signature of officer	2012-12-06 Date
	Elizabeth Buikema VP of Finance/CFO Type or print name and title	

<b>Paid Preparer's Use Only</b>	Preparer's signature	Date	Check if self-employed <input type="checkbox"/>	Preparer's taxpayer identification number (see instructions)
	Firm's name (or yours if self-employed), address, and ZIP + 4			EIN ▶
				Phone no ▶

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



**Part IV Checklist of Required Schedules**

	Yes	No
<b>1</b> Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? <i>If "Yes," complete Schedule A.</i> <input checked="" type="checkbox"/>	Yes	
<b>2</b> Is the organization required to complete <i>Schedule B, Schedule of Contributors</i> (see instructions)? <input checked="" type="checkbox"/>	Yes	
<b>3</b> Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? <i>If "Yes," complete Schedule C, Part I.</i>		No
<b>4 Section 501(c)(3) organizations.</b> Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? <i>If "Yes," complete Schedule C, Part II.</i>		No
<b>5</b> Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? <i>If "Yes," complete Schedule C, Part III.</i>		No
<b>6</b> Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? <i>If "Yes," complete Schedule D, Part I.</i> <input checked="" type="checkbox"/>		No
<b>7</b> Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas or historic structures? <i>If "Yes," complete Schedule D, Part II.</i> <input checked="" type="checkbox"/>		No
<b>8</b> Did the organization maintain collections of works of art, historical treasures, or other similar assets? <i>If "Yes," complete Schedule D, Part III.</i> <input checked="" type="checkbox"/>		No
<b>9</b> Did the organization report an amount in Part X, line 21, serve as a custodian for amounts not listed in Part X, or provide credit counseling, debt management, credit repair, or debt negotiation services? <i>If "Yes," complete Schedule D, Part IV.</i> <input checked="" type="checkbox"/>	Yes	
<b>10</b> Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? <i>If "Yes," complete Schedule D, Part V.</i> <input checked="" type="checkbox"/>	Yes	
<b>11</b> If the organization's answer to any of the following questions is 'Yes,' then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable		
<b>a</b> Did the organization report an amount for land, buildings, and equipment in Part X, line 10? <i>If "Yes," complete Schedule D, Part VI.</i> <input checked="" type="checkbox"/>	Yes	
<b>b</b> Did the organization report an amount for investments—other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part VII.</i> <input checked="" type="checkbox"/>	Yes	
<b>c</b> Did the organization report an amount for investments—program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part VIII.</i> <input checked="" type="checkbox"/>		No
<b>d</b> Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part IX.</i> <input checked="" type="checkbox"/>	Yes	
<b>e</b> Did the organization report an amount for other liabilities in Part X, line 25? <i>If "Yes," complete Schedule D, Part X.</i> <input checked="" type="checkbox"/>	Yes	
<b>f</b> Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? <i>If "Yes," complete Schedule D, Part X.</i> <input checked="" type="checkbox"/>		No
<b>12a</b> Did the organization obtain separate, independent audited financial statements for the tax year? <i>If "Yes," complete Schedule D, Parts XI, XII, and XIII.</i> <input checked="" type="checkbox"/>		No
<b>b</b> Was the organization included in consolidated, independent audited financial statements for the tax year? <i>If "Yes," and if the organization answered 'No' to line 12a, then completing Schedule D, Parts XI, XII, and XIII is optional.</i> <input checked="" type="checkbox"/>	Yes	
<b>13</b> Is the organization a school described in section 170(b)(1)(A)(ii)? <i>If "Yes," complete Schedule E.</i>		No
<b>14a</b> Did the organization maintain an office, employees, or agents outside of the United States?		No
<b>b</b> Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at \$100,000 or more? <i>If "Yes," complete Schedule F, Part I.</i>		No
<b>15</b> Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or assistance to any organization or entity located outside the U S? <i>If "Yes," complete Schedule F, Part II and IV.</i>		No
<b>16</b> Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or assistance to individuals located outside the U S? <i>If "Yes," complete Schedule F, Part III and IV.</i>		No
<b>17</b> Did the organization report a total of more than \$15,000, of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? <i>If "Yes," complete Schedule G, Part I.</i>		No
<b>18</b> Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? <i>If "Yes," complete Schedule G, Part II.</i>		No
<b>19</b> Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? <i>If "Yes," complete Schedule G, Part III.</i>		No
<b>20a</b> Did the organization operate one or more hospitals? <i>If "Yes," complete Schedule H.</i>		No
<b>b</b> If "Yes" to line 20a, did the organization attach its audited financial statement to this return? <b>Note.</b> All Form 990 filers that operated one or more hospitals must attach audited financial statements.		

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

<b>21</b>	Did the organization report more than \$5,000 of grants and other assistance to governments and organizations in the United States on Part IX, column (A), line 1? <i>If "Yes," complete Schedule I, Parts I and II</i> . . . . . <input checked="" type="checkbox"/>	<b>21</b>	Yes	
<b>22</b>	Did the organization report more than \$5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? <i>If "Yes," complete Schedule I, Parts I and III</i> . . . . . <input checked="" type="checkbox"/>	<b>22</b>		No
<b>23</b>	Did the organization answer "Yes" to Part VII, Section A, questions 3, 4, or 5, about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? <i>If "Yes," complete Schedule J</i> . . . . . <input checked="" type="checkbox"/>	<b>23</b>	Yes	
<b>24a</b>	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? <i>If "Yes," answer questions 24b-24d and complete Schedule K. If "No," go to line 25</i> . . . . . <input checked="" type="checkbox"/>	<b>24a</b>	Yes	
<b>b</b>	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception? . . . . .	<b>24b</b>	Yes	
<b>c</b>	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds? . . . . .	<b>24c</b>		No
<b>d</b>	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year? . . . . .	<b>24d</b>		No
<b>25a</b>	<b>Section 501(c)(3) and 501(c)(4) organizations.</b> Did the organization engage in an excess benefit transaction with a disqualified person during the year? <i>If "Yes," complete Schedule L, Part I</i> . . . . . <input checked="" type="checkbox"/>	<b>25a</b>		No
<b>b</b>	Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? <i>If "Yes," complete Schedule L, Part I</i> . . . . . <input checked="" type="checkbox"/>	<b>25b</b>		No
<b>26</b>	Was a loan to or by a current or former officer, director, trustee, key employee, highly compensated employee, or disqualified person outstanding as of the end of the organization's tax year? <i>If "Yes," complete Schedule L, Part II</i> . . . . . <input checked="" type="checkbox"/>	<b>26</b>		No
<b>27</b>	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor, or a grant selection committee member, or to a person related to such an individual? <i>If "Yes," complete Schedule L, Part III</i> . . . . . <input checked="" type="checkbox"/>	<b>27</b>		No
<b>28</b>	Was the organization a party to a business transaction with one of the following parties? (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions)			
<b>a</b>	A current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i> . . . . . <input checked="" type="checkbox"/>	<b>28a</b>		No
<b>b</b>	A family member of a current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i> . . . . . <input checked="" type="checkbox"/>	<b>28b</b>	Yes	
<b>c</b>	An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or owner? <i>If "Yes," complete Schedule L, Part IV</i> . . . . . <input checked="" type="checkbox"/>	<b>28c</b>		No
<b>29</b>	Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i>	<b>29</b>		No
<b>30</b>	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M</i>	<b>30</b>		No
<b>31</b>	Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i>	<b>31</b>		No
<b>32</b>	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If "Yes," complete Schedule N, Part II</i>	<b>32</b>		No
<b>33</b>	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? <i>If "Yes," complete Schedule R, Part I</i> . . . . . <input checked="" type="checkbox"/>	<b>33</b>	Yes	
<b>34</b>	Was the organization related to any tax-exempt or taxable entity? <i>If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1</i> . . . . . <input checked="" type="checkbox"/>	<b>34</b>	Yes	
<b>35a</b>	Is any related organization a controlled entity of the filing organization within the meaning of section 512(b)(13)?	<b>35a</b>	Yes	
<b>b</b>	Did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? <i>If "Yes," complete Schedule R, Part V, line 2</i> . . . . . <input checked="" type="checkbox"/>	<b>35b</b>	Yes	
<b>36</b>	<b>Section 501(c)(3) organizations.</b> Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2</i> . . . . . <input checked="" type="checkbox"/>	<b>36</b>	Yes	
<b>37</b>	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? <i>If "Yes," complete Schedule R, Part VI</i> <input checked="" type="checkbox"/>	<b>37</b>		No
<b>38</b>	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11 and 19? <b>Note.</b> All Form 990 filers are required to complete Schedule O . . . . .	<b>38</b>	Yes	

Part V Statements Regarding Other IRS Filings and Tax Compliance

Check if Schedule O contains a response to any question in this Part V

Table with columns for question number, question text, and Yes/No columns. Rows include questions 1a-14a regarding Form 1096, W-2G, Form W-3, federal employment tax returns, unrelated business gross income, prohibited tax shelter transactions, annual gross receipts, deductible contributions, sponsoring organizations, and charitable trusts.

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

Check if Schedule O contains a response to any question in this Part VI

**Section A. Governing Body and Management**

		Yes	No
<b>1a</b>	Enter the number of voting members of the governing body at the end of the tax year . . . . .		
<b>1b</b>	Enter the number of voting members included in line 1a, above, who are independent . . . . .		
<b>2</b>	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee? . . . . .		No
<b>3</b>	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person? . . . . .		No
<b>4</b>	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed? . . . . .		No
<b>5</b>	Did the organization become aware during the year of a significant diversion of the organization's assets? . . . . .		No
<b>6</b>	Did the organization have members or stockholders? . . . . .	Yes	
<b>7a</b>	Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body? . . . . .	Yes	
<b>7b</b>	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body? . . . . .	Yes	
<b>8</b>	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following		
<b>8a</b>	The governing body? . . . . .	Yes	
<b>8b</b>	Each committee with authority to act on behalf of the governing body? . . . . .	Yes	
<b>9</b>	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O . . . . .		No

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

		Yes	No
<b>10a</b>	Did the organization have local chapters, branches, or affiliates? . . . . .		No
<b>10b</b>	If "Yes," did the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with the organization's exempt purposes? . . . . .		
<b>11a</b>	Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form? . . . . .	Yes	
<b>11b</b>	Describe in Schedule O the process, if any, used by the organization to review the Form 990 . . . . .		
<b>12a</b>	Did the organization have a written conflict of interest policy? If "No," go to line 13 . . . . .	Yes	
<b>12b</b>	Were officers, directors or trustees, and key employees required to disclose annually interests that could give rise to conflicts? . . . . .	Yes	
<b>12c</b>	Did the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this was done . . . . .	Yes	
<b>13</b>	Did the organization have a written whistleblower policy? . . . . .	Yes	
<b>14</b>	Did the organization have a written document retention and destruction policy? . . . . .	Yes	
<b>15</b>	Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?		
<b>15a</b>	The organization's CEO, Executive Director, or top management official . . . . .	Yes	
<b>15b</b>	Other officers or key employees of the organization . . . . .	Yes	
	If "Yes," to line 15a or 15b, describe the process in Schedule O (see instructions)		
<b>16a</b>	Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year? . . . . .		No
<b>16b</b>	If "Yes," did the organization follow a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and take steps to safeguard the organization's exempt status with respect to such arrangements? . . . . .		

**Section C. Disclosure**

- 17** List the States with which a copy of this Form 990 is required to be filed **IL**
- 18** Section 6104 requires an organization to make its Form 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply.  
 Own website  Another's website  Upon request
- 19** Describe in Schedule O whether (and if so, how), the organization made its governing documents, conflict of interest policy, and financial statements available to the public. See Additional Data Table.
- 20** State the name, physical address, and telephone number of the person who possesses the books and records of the organization **Elizabeth Burkema  
C/O CRC 5700 Old Orchard Rd  
Skokie, IL 60077  
(773) 878-2294**



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

(A) Name and Title	(B) Average hours per week per week (describe hours for related organizations in Schedule O)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
See Additional Data Table										
<b>1b Sub-Total</b>										
<b>c Total from continuation sheets to Part VII, Section A</b>										
<b>d Total (add lines 1b and 1c)</b>							3,030,616	1,898,127	888,679	

**2** Total number of individuals (including but not limited to those listed above) who received more than \$100,000 of reportable compensation from the organization **▶**22

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

**Section B. Independent Contractors**

**1** Complete this table for your five highest compensated independent contractors that received more than \$100,000 of compensation from the organization Report compensation for the calendar year ending with or within the organization's tax year

(A) Name and business address	(B) Description of services	(C) Compensation
Mullen & Henzell LLP 112 East Victoria Street Post Offic Santa Barbara, CA 93102	Consultants	498,172
Deloitte & Touche LLP PO Box 7247-6446 Philadelphia, PA 191706446	Audit	404,075
Moving Station LLC 100 N LaSalle St Suite 300 Chicago, IL 60602	Home Purchase Program	356,155
H Todd Kilburn 1661 East Olive Way Suite 200 Seattle, WA 98102	Consultants	183,326
Erickson Papanek Peterson Rose 1625 Shemer Road Northbrook, IL 60062	Legal Consultants	166,221
<b>2</b> Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 of compensation from the organization <b>▶</b> 8		

**Part VIII Statement of Revenue**

			(A)	(B)	(C)	(D)	
			Total revenue	Related or exempt function revenue	Unrelated business revenue	Revenue excluded from tax under sections 512, 513, or 514	
<b>Contributions, gifts, grants and other similar amounts</b>	<b>1a</b>	Federated campaigns . . . . . <b>1a</b>					
	<b>b</b>	Membership dues . . . . . <b>1b</b>					
	<b>c</b>	Fundraising events . . . . . <b>1c</b>					
	<b>d</b>	Related organizations . . . . . <b>1d</b>					
	<b>e</b>	Government grants (contributions) <b>1e</b>					
	<b>f</b>	All other contributions, gifts, grants, and similar amounts not included above <b>1f</b>	12,945				
	<b>g</b>	Noncash contributions included in lines 1a-1f \$ _____					
	<b>h</b>	<b>Total.</b> Add lines 1a-1f . . . . .	12,945				
<b>Program Service Revenue</b>			Business Code				
	<b>2a</b>	Management Fees	561000	16,124,706	16,124,706		
	<b>b</b>	Routine Services	623000	1,903,751	1,903,751		
	<b>c</b>	Entrance Fee	623000	1,198,256	1,198,256		
	<b>d</b>	Ancillary Service	623000	1,015	1,015		
	<b>e</b>						
	<b>f</b>	All other program service revenue					
<b>g</b>	<b>Total.</b> Add lines 2a-2f . . . . .		19,227,728				
<b>Other Revenue</b>	<b>3</b>	Investment income (including dividends, interest and other similar amounts) . . . . .		5,013,850		5,013,850	
	<b>4</b>	Income from investment of tax-exempt bond proceeds . . . . .					
	<b>5</b>	Royalties . . . . .					
	<b>6a</b>	(i) Real		(ii) Personal			
			Gross rents	59,300			
		<b>b</b>	Less rental expenses	36,490			
		<b>c</b>	Rental income or (loss)	22,810			
	<b>d</b>	<b>Net rental income or (loss)</b> . . . . .		22,810		22,810	
	<b>7a</b>	(i) Securities		(ii) Other			
			Gross amount from sales of assets other than inventory	2,884,104	8,410		
		<b>b</b>	Less cost or other basis and sales expenses	0	0		
		<b>c</b>	Gain or (loss)	2,884,104	8,410		
	<b>d</b>	<b>Net gain or (loss)</b> . . . . .		2,892,514		2,892,514	
	<b>8a</b>	Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c) See Part IV, line 18 . . . . .	<b>a</b>				
	<b>b</b>	Less direct expenses . . . . . <b>b</b>					
<b>c</b>	<b>Net income or (loss) from fundraising events</b> . . . . .						
<b>9a</b>	Gross income from gaming activities See Part IV, line 19 . . . . .		<b>a</b>				
	<b>b</b>	Less direct expenses . . . . . <b>b</b>					
	<b>c</b>	<b>Net income or (loss) from gaming activities</b> . . . . .					
<b>10a</b>	Gross sales of inventory, less returns and allowances . . . . .		<b>a</b>				
	<b>b</b>	Less cost of goods sold . . . . . <b>b</b>					
	<b>c</b>	<b>Net income or (loss) from sales of inventory</b> . . . . .					
Miscellaneous Revenue		Business Code					
<b>11a</b>	Services to Residents		623000	3,357	3,357		
	<b>b</b>	Support Services	623000	2,641	2,641		
	<b>c</b>						
	<b>d</b>	All other revenue . . . . .		974,759	974,759		
<b>e</b>	<b>Total.</b> Add lines 11a-11d . . . . .		980,757				
<b>12</b>	<b>Total revenue.</b> See Instructions . . . . .		28,150,604	20,208,485	0	7,929,174	

**Part IX Statement of Functional Expenses**

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

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

Check if Schedule O contains a response to any question in this Part IX

<b>Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.</b>		<b>(A)</b> Total expenses	<b>(B)</b> Program service expenses	<b>(C)</b> Management and general expenses	<b>(D)</b> Fundraising expenses
<b>1</b>	Grants and other assistance to governments and organizations in the United States See Part IV, line 21	13,000	13,000		
<b>2</b>	Grants and other assistance to individuals in the United States See Part IV, line 22				
<b>3</b>	Grants and other assistance to governments, organizations, and individuals outside the United States See Part IV, lines 15 and 16				
<b>4</b>	Benefits paid to or for members				
<b>5</b>	Compensation of current officers, directors, trustees, and key employees . . . . .	2,107,416	2,107,416		
<b>6</b>	Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) . . . . .				
<b>7</b>	Other salaries and wages	3,949,960	3,685,777	134,701	129,482
<b>8</b>	Pension plan contributions (include section 401(k) and section 403(b) employer contributions) . . . . .	306,604	291,941	8,596	6,067
<b>9</b>	Other employee benefits . . . . .	788,716	747,527	17,817	23,372
<b>10</b>	Payroll taxes . . . . .	322,371	303,589	9,029	9,753
<b>11</b>	Fees for services (non-employees)				
<b>a</b>	Management . . . . .	73,571	73,571		
<b>b</b>	Legal . . . . .	210,585	208,087	2,498	
<b>c</b>	Accounting . . . . .	32,177	28,441	3,736	
<b>d</b>	Lobbying . . . . .				
<b>e</b>	Professional fundraising See Part IV, line 17 . . . . .				
<b>f</b>	Investment management fees . . . . .	498,462	498,462		
<b>g</b>	Other . . . . .	1,519,183	1,499,483	1,597	18,103
<b>12</b>	Advertising and promotion . . . . .	124,674	84,578	27,834	12,262
<b>13</b>	Office expenses . . . . .	270,969	247,628	22,059	1,282
<b>14</b>	Information technology . . . . .	2,943,396	2,943,396		
<b>15</b>	Royalties . . . . .				
<b>16</b>	Occupancy . . . . .	287,442	287,442		
<b>17</b>	Travel . . . . .	826,359	795,083	145	31,131
<b>18</b>	Payments of travel or entertainment expenses for any federal, state, or local public officials . . . . .				
<b>19</b>	Conferences, conventions, and meetings . . . . .	44,549	41,328	2,193	1,028
<b>20</b>	Interest . . . . .	1,022,045	557,628	449,700	14,717
<b>21</b>	Payments to affiliates . . . . .				
<b>22</b>	Depreciation, depletion, and amortization . . . . .	2,186,195	1,664,763	271,997	249,435
<b>23</b>	Insurance . . . . .	83,726	83,726		
<b>24</b>	Other expenses Itemize expenses not covered above (List miscellaneous expenses in line 24f If line 24f amount exceeds 10% of line 25, column (A) amount, list line 24f expenses on Schedule O )				
<b>a</b>	Related Party Payments	2,963,110	1,885,531	103,915	973,664
<b>b</b>	Admin & General	683,804	682,631	1,173	
<b>c</b>	Taxes	276,467	17,336	259,131	
<b>d</b>	Resident Care Services	184,881	184,881		
<b>e</b>					
<b>f</b>	All other expenses	43,775,505	32,336,490	9,604,771	1,834,244
<b>25</b>	<b>Total functional expenses.</b> Add lines 1 through 24f	65,495,167	51,269,735	10,920,892	3,304,540
<b>26</b>	<b>Joint costs.</b> Check here <input type="checkbox"/> if following SOP 98-2 (ASC 958-720) Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation				

**Part X Balance Sheet**

		(A)		(B)
		Beginning of year		End of year
<b>Assets</b>	<b>1</b> Cash—non-interest-bearing . . . . .	755,823	<b>1</b>	101
	<b>2</b> Savings and temporary cash investments . . . . .	6,910,142	<b>2</b>	8,518,778
	<b>3</b> Pledges and grants receivable, net . . . . .	13,253	<b>3</b>	16,132
	<b>4</b> Accounts receivable, net . . . . .	1,695,163	<b>4</b>	574,154
	<b>5</b> Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L . . . . .		<b>5</b>	
	<b>6</b> Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) Complete Part II of Schedule L . . . . .		<b>6</b>	
	<b>7</b> Notes and loans receivable, net . . . . .	7,467	<b>7</b>	7,267
	<b>8</b> Inventories for sale or use . . . . .		<b>8</b>	
	<b>9</b> Prepaid expenses and deferred charges . . . . .	2,482,069	<b>9</b>	2,808,824
	<b>10a</b> Land, buildings, and equipment cost or other basis Complete Part VI of Schedule D	43,735,634		
	<b>b</b> Less accumulated depreciation . . . . .	10,127,455	<b>10c</b>	33,608,179
	<b>11</b> Investments—publicly traded securities . . . . .	34,517,045	<b>11</b>	21,725,557
	<b>12</b> Investments—other securities See Part IV, line 11 . . . . .	13,896,966	<b>12</b>	11,498,834
	<b>13</b> Investments—program-related See Part IV, line 11 . . . . .		<b>13</b>	
	<b>14</b> Intangible assets . . . . .		<b>14</b>	
	<b>15</b> Other assets See Part IV, line 11 . . . . .	37,011,377	<b>15</b>	40,140,320
<b>16</b> <b>Total assets.</b> Add lines 1 through 15 (must equal line 34) . . . . .	140,802,070	<b>16</b>	118,898,146	
<b>Liabilities</b>	<b>17</b> Accounts payable and accrued expenses . . . . .	9,302,328	<b>17</b>	10,712,550
	<b>18</b> Grants payable . . . . .		<b>18</b>	
	<b>19</b> Deferred revenue . . . . .	11,271,325	<b>19</b>	10,852,498
	<b>20</b> Tax-exempt bond liabilities . . . . .	17,631,461	<b>20</b>	23,150,017
	<b>21</b> Escrow or custodial account liability Complete Part IV of Schedule D . . . . .	14,420	<b>21</b>	6,710
	<b>22</b> Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons Complete Part II of Schedule L . . . . .		<b>22</b>	
	<b>23</b> Secured mortgages and notes payable to unrelated third parties . . . . .		<b>23</b>	
	<b>24</b> Unsecured notes and loans payable to unrelated third parties . . . . .		<b>24</b>	
	<b>25</b> Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24) Complete Part X of Schedule D . . . . .	60,855,262	<b>25</b>	68,534,180
	<b>26</b> <b>Total liabilities.</b> Add lines 17 through 25 . . . . .	99,074,796	<b>26</b>	113,255,955
<b>Net Assets or Fund Balances</b>	<b>Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.</b>			
	<b>27</b> Unrestricted net assets . . . . .	37,195,688	<b>27</b>	1,289,848
	<b>28</b> Temporarily restricted net assets . . . . .	626,822	<b>28</b>	344,838
	<b>29</b> Permanently restricted net assets . . . . .	3,904,764	<b>29</b>	4,007,505
	<b>Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 30 through 34.</b>			
	<b>30</b> Capital stock or trust principal, or current funds . . . . .		<b>30</b>	
	<b>31</b> Paid-in or capital surplus, or land, building or equipment fund . . . . .		<b>31</b>	
	<b>32</b> Retained earnings, endowment, accumulated income, or other funds . . . . .		<b>32</b>	
<b>33</b> Total net assets or fund balances . . . . .	41,727,274	<b>33</b>	5,642,191	
<b>34</b> Total liabilities and net assets/fund balances . . . . .	140,802,070	<b>34</b>	118,898,146	

**Part XI Reconciliation of Net Assets**

Check if Schedule O contains a response to any question in this Part XI

<b>1</b>	Total revenue (must equal Part VIII, column (A), line 12)	<b>1</b>	28,150,604
<b>2</b>	Total expenses (must equal Part IX, column (A), line 25)	<b>2</b>	65,495,167
<b>3</b>	Revenue less expenses Subtract line 2 from line 1	<b>3</b>	-37,344,563
<b>4</b>	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	<b>4</b>	41,727,274
<b>5</b>	Other changes in net assets or fund balances (explain in Schedule O)	<b>5</b>	1,259,480
<b>6</b>	Net assets or fund balances at end of year Combine lines 3, 4, and 5 (must equal Part X, line 33, column (B))	<b>6</b>	5,642,191

**Part XII Financial Statements and Reporting**

Check if Schedule O contains a response to any question in this Part XII

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

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

**Public Charity Status and Public Support**

OMB No 1545-0047

**2011**

**Open to Public Inspection**

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

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

Department of the Treasury  
Internal Revenue Service

Name of the organization  
Covenant Retirement Communities Inc

Employer identification number

36-3478388

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

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

- 1  A church, convention of churches, or association of churches **section 170(b)(1)(A)(i).**
- 2  A school described in **section 170(b)(1)(A)(ii).** (Attach Schedule E )
- 3  A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii).**
- 4  A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii).** Enter the hospital's name, city, and state
  
- 5  An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv).** (Complete Part II )
- 6  A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v).**
- 7  An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi)** (Complete Part II )
- 8  A community trust described in **section 170(b)(1)(A)(vi)** (Complete Part II )
- 9  An organization that normally receives (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions—subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975 See **section 509(a)(2).** (Complete Part III )
- 10  An organization organized and operated exclusively to test for public safety See **section 509(a)(4).**
- 11  An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2) See **section 509(a)(3).** Check the box that describes the type of supporting organization and complete lines 11e through 11h
  - a  Type I
  - b  Type II
  - c  Type III - Functionally integrated
  - d  Type III - Other
- e  By checking this box, I certify that the organization is not controlled directly or indirectly by one or more disqualified persons other than foundation managers and other than one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2)
- f  If the organization received a written determination from the IRS that it is a Type I, Type II or Type III supporting organization, check this box
- g Since August 17, 2006, has the organization accepted any gift or contribution from any of the following persons?
  - (i) a person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the the supported organization?
  - (ii) a family member of a person described in (i) above?
  - (iii) a 35% controlled entity of a person described in (i) or (ii) above?
- h Provide the following information about the supported organization(s)

	Yes	No
<b>11g(i)</b>		No
<b>11g(ii)</b>		No
<b>11g(iii)</b>		No

(i) Name of supported organization	(ii) EIN	(iii) Type of organization (described on lines 1- 9 above or IRC section (see instructions))	(iv) Is the organization in col (i) listed in your governing document?		(v) Did you notify the organization in col (i) of your support?		(vi) Is the organization in col (i) organized in the U S ?		(vii) Amount of support?
			Yes	No	Yes	No	Yes	No	
See Additional Data Table									
<b>Total</b>									971,876

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

(Complete only if you checked the box on line 5, 7, or 8 of Part I or if the organization failed to qualify under Part III. If the organization fails to qualify under the tests listed below, please complete Part III.)

**Section A. Public Support**

Calendar year (or fiscal year beginning in)	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(f) Total
<b>1</b> Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants.")						
<b>2</b> Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
<b>3</b> The value of services or facilities furnished by a governmental unit to the organization without charge						
<b>4 Total.</b> Add lines 1 through 3						
<b>5</b> The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						
<b>6 Public Support.</b> Subtract line 5 from line 4						

**Section B. Total Support**

Calendar year (or fiscal year beginning in)	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(f) Total
<b>7</b> Amounts from line 4						
<b>8</b> Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
<b>9</b> Net income from unrelated business activities, whether or not the business is regularly carried on						
<b>10</b> Other income (Explain in Part IV.) Do not include gain or loss from the sale of capital assets						
<b>11 Total support</b> (Add lines 7 through 10)						
<b>12</b> Gross receipts from related activities, etc (See instructions)					<b>12</b>	

**13 First Five Years** If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a 501(c)(3) organization, check this box and **stop here** **Section C. Computation of Public Support Percentage**

<b>14</b> Public Support Percentage for 2011 (line 6 column (f) divided by line 11 column (f))	<b>14</b>	
<b>15</b> Public Support Percentage for 2010 Schedule A, Part II, line 14	<b>15</b>	
<b>16a 33 1/3% support test—2011.</b> If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and <b>stop here.</b> The organization qualifies as a publicly supported organization <input type="checkbox"/>		
<b>b 33 1/3% support test—2010.</b> If the organization did not check the box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and <b>stop here.</b> The organization qualifies as a publicly supported organization <input type="checkbox"/>		
<b>17a 10%-facts-and-circumstances test—2011.</b> If the organization did not check a box on line 13, 16a, or 16b and line 14 is 10% or more, and if the organization meets the "facts and circumstances" test, check this box and <b>stop here.</b> Explain in Part IV how the organization meets the "facts and circumstances" test. The organization qualifies as a publicly supported organization <input type="checkbox"/>		
<b>b 10%-facts-and-circumstances test—2010.</b> If the organization did not check a box on line 13, 16a, 16b, or 17a and line 15 is 10% or more, and if the organization meets the "facts and circumstances" test, check this box and <b>stop here.</b> Explain in Part IV how the organization meets the "facts and circumstances" test. The organization qualifies as a publicly supported organization <input type="checkbox"/>		
<b>18 Private Foundation</b> If the organization did not check a box on line 13, 16a, 16b, 17a or 17b, check this box and see instructions <input type="checkbox"/>		

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

(Complete only if you checked the box on line 9 of Part I or if the organization failed to qualify under Part II. If the organization fails to qualify under the tests listed below, please complete Part II.)

**Section A. Public Support**

Calendar year (or fiscal year beginning in)	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(f) Total
<b>1</b> Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants.")						
<b>2</b> Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose						
<b>3</b> Gross receipts from activities that are not an unrelated trade or business under section 513						
<b>4</b> Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
<b>5</b> The value of services or facilities furnished by a governmental unit to the organization without charge						
<b>6 Total.</b> Add lines 1 through 5						
<b>7a</b> Amounts included on lines 1, 2, and 3 received from disqualified persons						
<b>b</b> Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of \$5,000 or 1% of the amount on line 13 for the year						
<b>c</b> Add lines 7a and 7b						
<b>8 Public Support</b> (Subtract line 7c from line 6 )						

**Section B. Total Support**

Calendar year (or fiscal year beginning in)	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(f) Total
<b>9</b> Amounts from line 6						
<b>10a</b> Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
<b>b</b> Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
<b>c</b> Add lines 10a and 10b						
<b>11</b> Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
<b>12</b> Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)						
<b>13 Total support</b> (Add lines 9, 10c, 11 and 12.)						
<b>14 First Five Years</b> If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a 501(c)(3) organization, check this box and <b>stop here</b> <input type="checkbox"/>						

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

<b>15</b> Public Support Percentage for 2011 (line 8 column (f) divided by line 13 column (f))	<b>15</b>	
<b>16</b> Public support percentage from 2010 Schedule A, Part III, line 15	<b>16</b>	

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

<b>17</b> Investment income percentage for <b>2011</b> (line 10c column (f) divided by line 13 column (f))	<b>17</b>	
<b>18</b> Investment income percentage from <b>2010</b> Schedule A, Part III, line 17	<b>18</b>	

- 19a 33 1/3% support tests—2011.** If the organization did not check the box on line 14, and line 15 is more than 33 1/3% and line 17 is not more than 33 1/3%, check this box and **stop here**. The organization qualifies as a publicly supported organization
- b 33 1/3% support tests—2010.** If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3% and line 18 is not more than 33 1/3%, check this box and **stop here**. The organization qualifies as a publicly supported organization
- 20 Private Foundation** If the organization did not check a box on line 14, 19a or 19b, check this box and see instructions

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

<b>Facts And Circumstances Test</b>
-------------------------------------

<b>Explanation</b>
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SCHEDULE D (Form 990)

OMB No 1545-0047

Supplemental Financial Statements

2011

Open to Public Inspection

Complete if the organization answered "Yes," to Form 990, Part IV, line 6, 7, 9, 10, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b. Attach to Form 990. See separate instructions.

Department of the Treasury Internal Revenue Service

Name of the organization Covenant Retirement Communities Inc

Employer identification number 36-3478388

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

Table with 2 columns: (a) Donor advised funds, (b) Funds and other accounts. Rows 1-4: Total number at end of year, Aggregate contributions to (during year), Aggregate grants from (during year), Aggregate value at end of year.

- 5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control?
6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds may be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit?

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

- 1 Purpose(s) of conservation easements held by the organization (check all that apply): Preservation of land for public use, Protection of natural habitat, Preservation of open space, Preservation of an historically importantly land area, Preservation of a certified historic structure.

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

Table with 2 columns: Description, Held at the End of the Year. Rows 2a-2d: Total number of conservation easements, Total acreage restricted by conservation easements, Number of conservation easements on a certified historic structure included in (a), Number of conservation easements included in (c) acquired after 8/17/06.

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

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

5 Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds?

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

7 Amount of expenses incurred in monitoring, inspecting, and enforcing conservation easements during the year

8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and 170(h)(4)(B)(ii)?

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

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets. Complete if the organization answered "Yes" to Form 990, Part IV, line 8.

1a If the organization elected, as permitted under SFAS 116, not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education or research in furtherance of public service, provide, in Part XIV, the text of the footnote to its financial statements that describes these items

b If the organization elected, as permitted under SFAS 116, to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items

(i) Revenues included in Form 990, Part VIII, line 1
(ii) Assets included in Form 990, Part X

2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 relating to these items

a Revenues included in Form 990, Part VIII, line 1
b Assets included in Form 990, Part X

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

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

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

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

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

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

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

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

	Amount
<b>1c</b> Beginning balance	
<b>1d</b> Additions during the year	
<b>1e</b> Distributions during the year	
<b>1f</b> Ending balance	

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

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

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

	(a) Current Year	(b) Prior Year	(c) Two Years Back	(d) Three Years Back	(e) Four Years Back
<b>1a</b> Beginning of year balance . . . . .	3,904,764	3,478,405	2,752,445	3,527,337	
<b>b</b> Contributions . . . . .					
<b>c</b> Investment earnings or losses . . . . .	123,480	446,318	752,986	-729,844	
<b>d</b> Grants or scholarships . . . . .	-20,739	-19,959	-27,026	45,048	
<b>e</b> Other expenditures for facilities and programs . . . . .					
<b>f</b> Administrative expenses . . . . .					
<b>g</b> End of year balance . . . . .	4,048,983	3,904,764	3,478,405	2,752,445	

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

- a** Board designated or quasi-endowment ▶
- b** Permanent endowment ▶
- c** Term endowment ▶

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

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

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

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

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
<b>1a</b> Land . . . . .		9,201,158		9,201,158
<b>b</b> Buildings . . . . .		24,431,548	4,320,229	20,111,319
<b>c</b> Leasehold improvements . . . . .				
<b>d</b> Equipment . . . . .		8,959,957	5,769,194	3,190,763
<b>e</b> Other . . . . .		1,142,971	38,032	1,104,939
<b>Total.</b> Add lines 1a-1e (Column (d) should equal Form 990, Part X, column (B), line 10(c).) . . . . .				33,608,179



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

<b>1</b>	Total revenue (Form 990, Part VIII, column (A), line 12)	<b>1</b>	28,150,604
<b>2</b>	Total expenses (Form 990, Part IX, column (A), line 25)	<b>2</b>	65,495,167
<b>3</b>	Excess or (deficit) for the year Subtract line 2 from line 1	<b>3</b>	-37,344,563
<b>4</b>	Net unrealized gains (losses) on investments	<b>4</b>	
<b>5</b>	Donated services and use of facilities	<b>5</b>	
<b>6</b>	Investment expenses	<b>6</b>	
<b>7</b>	Prior period adjustments	<b>7</b>	
<b>8</b>	Other (Describe in Part XIV)	<b>8</b>	1,259,480
<b>9</b>	Total adjustments (net) Add lines 4 - 8	<b>9</b>	1,259,480
<b>10</b>	Excess or (deficit) for the year per financial statements Combine lines 3 and 9	<b>10</b>	-36,085,083

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

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

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

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

**Part XIV Supplemental Information**

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

Identifier	Return Reference	Explanation
	Part IV, Line 2b	Part IV, line 2b Resident Entrance Fee Account Prospective residents pay an application fee deposit which is carried in an escrow account At move in, the deposit is applied against the total entrance fee amount and the remainder of the money is collected and put in this account At the end of the month the resident has moved in, all money is transferred out of the escrow account
Description of Intended Use of Endowment Funds	Part V, Line 4	The Brandel Endowment Fund is used for resident care at one of the CRC campuses
Description of Uncertain Tax Positions Under FIN 48	Part X	A FIN 48 footnote was not included in the consolidated audited financial statements of Covenant Retirement Communities, Inc and affiliates A FIN 48 analysis was completed for Covenant Retirement Communities, Inc and affiliates and it did not have a material impact on the financial position or results of operations
Part XI, Line 8 - Other Adjustments		Change in Temporarily Restricted Net Assets not included on Income Stmtnt -281,984 Change in Permanently Restricted Net Assets not included on Income Stmtnt 102,741 Change in Nets Assets (Cov Sol, Holdings I & II) not include this year 1,438,723 Total to Schedule D, Part XI, Line 8 1,259,480



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

<b>(a)</b> Type of grant or assistance	<b>(b)</b> Number of recipients	<b>(c)</b> Amount of cash grant	<b>(d)</b> Amount of non-cash assistance	<b>(e)</b> Method of valuation (book, FMV, appraisal, other)	<b>(f)</b> Description of non-cash assistance

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

<b>Identifier</b>	<b>Return Reference</b>	<b>Explanation</b>
Procedure for Monitoring Grants in the U S	Part I, Line 2	Schedule I, Part I, Line 2 Grants and donation requests and proposals are brought to Covenant Retirement Communities'(CRC) management The management then brings requests and proposals deemed appropriate to the CRC Board for approval, if significant A check goes out after the appropriate level of approval is received

**Schedule J**  
(Form 990)

**Compensation Information**

OMB No 1545-0047

**2011**

**Open to Public Inspection**

For certain Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

▶ Complete if the organization answered "Yes" to Form 990, Part IV, question 23.

▶ Attach to Form 990. ▶ See separate instructions.

Department of the Treasury  
Internal Revenue Service

**Name of the organization**

Covenant Retirement Communities Inc

**Employer identification number**

36-3478388

**Part I Questions Regarding Compensation**

	Yes	No
<b>1a</b>		
<b>1b</b>	Yes	
<b>2</b>	Yes	
<b>3</b>		
<b>4a</b>		No
<b>4b</b>	Yes	
<b>4c</b>		No
<b>5a</b>		No
<b>5b</b>		No
<b>6a</b>		No
<b>6b</b>		No
<b>7</b>	Yes	
<b>8</b>		No
<b>9</b>		

- 1a** Check the appropriate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a Complete Part III to provide any relevant information regarding these items
- |  |   |
|--|---|
| <input type="checkbox"/> First-class or charter travel             | <input type="checkbox"/> Housing allowance or residence for personal use          |
| <input checked="" type="checkbox"/> Travel for companions          | <input type="checkbox"/> Payments for business use of personal residence          |
| <input type="checkbox"/> Tax indemnification and gross-up payments | <input checked="" type="checkbox"/> Health or social club dues or initiation fees |
| <input type="checkbox"/> Discretionary spending account            | <input type="checkbox"/> Personal services (e g , maid, chauffeur, chef)          |

**b** If any of the boxes in line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all the expenses described above? If "No," complete Part III to explain

**2** Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all officers, directors, trustees, and the CEO/Executive Director, regarding the items checked in line 1a?

**3** Indicate which, if any, of the following the organization uses to establish the compensation of the organization's CEO/Executive Director Check all that apply

- |  |  |
|--|--|
| <input type="checkbox"/> Compensation committee              | <input type="checkbox"/> Written employment contract                     |
| <input type="checkbox"/> Independent compensation consultant | <input type="checkbox"/> Compensation survey or study                    |
| <input type="checkbox"/> Form 990 of other organizations     | <input type="checkbox"/> Approval by the board or compensation committee |

**4** During the year, did any person listed in Form 990, Part VII, Section A, line 1a with respect to the filing organization or a related organization

**a** Receive a severance payment or change-of-control payment?

**b** Participate in, or receive payment from, a supplemental nonqualified retirement plan?

**c** Participate in, or receive payment from, an equity-based compensation arrangement?

If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III

**Only 501(c)(3) and 501(c)(4) organizations only must complete lines 5-9.**

**5** For persons listed in form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of

**a** The organization?

**b** Any related organization?

If "Yes," to line 5a or 5b, describe in Part III

**6** For persons listed in form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of

**a** The organization?

**b** Any related organization?

If "Yes," to line 6a or 6b, describe in Part III

**7** For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III

**8** Were any amounts reported in Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regs section 53 4958-4(a)(3)? If "Yes," describe in Part III

**9** If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53 4958-6(c)?

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

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

**Note.** The sum of columns (B)(i)-(iii) for each listed individual must equal the total amount of Form 990, Part VII, Section A, line 1a, columns (D) and (E) for that individual

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
(1) David A Dwight	(i)	0	0	0	0	0	0	0
	(ii)	505,032	0	343,645	67,314	28,367	944,358	0
(2) Rick K Fisk	(i)	0	0	0	0	0	0	0
	(ii)	401,500	109,285	386,680	67,384	23,717	988,566	18,009
(3) Gary Walter	(i)	0	0	0	0	0	0	0
	(ii)	151,985	0	0	27,623	88,165	267,773	0
(4) Steven P Anderson	(i)	146,862	21,837	84,075	52,698	24,166	329,638	5,634
	(ii)	0	0	0	0	0	0	0
(5) Elizabeth B Buikema	(i)	213,636	38,071	106,933	34,666	23,948	417,254	10,768
	(ii)	0	0	0	0	0	0	0
(6) Moraine M Byrne	(i)	160,778	21,538	20,629	33,590	17,108	253,643	8,210
	(ii)	0	0	0	0	0	0	0
(7) Terri S Cunliffe	(i)	169,582	29,138	152,176	57,714	17,075	425,685	0
	(ii)	0	0	0	0	0	0	0
(8) John R Harriff	(i)	128,946	15,355	129,225	37,805	16,193	327,524	0
	(ii)	0	0	0	0	0	0	0
(9) David G Erickson	(i)	149,595	32,240	44,341	20,060	23,450	269,686	0
	(ii)	0	0	0	0	0	0	0
(10) Kathleen Jenkins	(i)	80,036	7,500	88,912	52,257	20,314	249,019	11,125
	(ii)	0	0	0	0	0	0	0
(11) Sneha Patel	(i)	127,528	6,000	124,866	21,427	21,091	300,912	0
	(ii)	0	0	0	0	0	0	0
(12) Thomas V Pluta	(i)	126,658	0	68,372	19,568	12,580	227,178	0
	(ii)	0	0	0	0	0	0	0
(13) Rebecca N Townsend	(i)	131,374	24,850	113,124	19,660	16,581	305,589	24,452
	(ii)	0	0	0	0	0	0	0
(14) Robert J Wall	(i)	114,076	5,000	170,675	32,211	10,479	332,441	6,058
	(ii)	0	0	0	0	0	0	0
(15) Jane Westerfield	(i)	77,968	3,350	95,370	23,516	28,066	228,270	0
	(ii)	0	0	0	0	0	0	0

**Part III Supplemental Information**

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

Identifier	Return Reference	Explanation
	Part I, Line 1a	Part I, Line 1a The following are available benefits and are treated as taxable compensation - Travel for companion paid for four (4) senior-level employees - Health club dues paid for six (6) senior-level employees
	Part I, Line 3	Part I, Line 3 See Schedule O explanation for Form 990 Part VI Section B Line 15 for the methods used to determine CEO compensation
	Part I, Line 4b	Executive Benefit Plan Covenant Ministries of Benevolence (CMB) provides certain supplemental retirement benefits to its officers and key employees These benefits are provided through a nonqualified deferred compensation plan, under which a portion of the benefits being earned are subject to a "substantial risk of forfeiture " The supplemental retirement benefits are structured to provide a retention incentive that has been determined by the Compensation Committee of CMB's Board to be of substantial value to the organization The Committee approves all retirement benefits, together with all other forms of compensation and benefits for these and other executives, in a manner intended to qualify for the rebuttable presumption of reasonableness under the intermediate sanctions rules of federal income tax law The following listed individuals participated in the Executive Benefit Plan David Dwight - \$78,250 81 Rick Fisk - \$62,656 27 Elizabeth Buikema - \$22,523 08 Steven P Anderson - \$19,775 86 John R Harriff - \$21,225 06 Terri Cunliffe - \$18,594 60 David Erickson - \$20,085 18 Kathleen Jenkins - \$11,814 81 Moraine Byrne - \$17,884 00 Rebecca Neth Townsend - \$10,311 00 Sneha Patel - \$14,999 00 Thomas Pluta - \$18,184 83 Robert Wall - \$15,355 00 Jane Westerfield - \$14,670 81 Pension Restoration Plan As certain individuals' pension benefits may be limited by tax code maximums on both eligible compensation and benefits, Covenant Ministries of Benevolence (CMB) provides a Pension Restoration Plan which entitles the individuals listed below to a pension benefit based on total cash compensation David A Dwight - \$6,814 Rick K Fisk - \$25,517
	Part I, Line 7	Part I, Line 7 The following applies to certain individuals listed on Part VII whose compensation is paid from related organizations The Executive Compensation Committee (the "Committee") follows a prescribed method for calculating bonuses The calculation is based on measurable targets determined at the beginning of the year The Committee has the ability to adjust the dollar value of the calculated awards by up to 10% The adjustment can be an upward or downward adjustment based on various performance factors Refer to additional information on the Committee included in Schedule O
Supplemental Information	Part III	Part II, Column B (i) Base compensation for certain individuals may include payments from deferred compensation plans Part II, Column B (ii) Bonus and incentive compensation - Certain key persons employed by CRC are eligible for incentive compensation as determined by the CRC Board Compensation Committee Incentives paid in 2011 relate to the achievement of targets for the fiscal year ended 1/31/2011 Part II, Column B (iii) Other Reportable Compensation - During the 2010 calendar year, Covenant Ministries of Benevolence (CMB) discontinued its sponsorship of a particular deferred benefit program that included employer contributions to split dollar life insurance arrangements for certain employees, including some individuals whose compensation is disclosed on this Form 990 Part VII and in Schedule J While the sponsorship and employer contributions to the split dollar life insurance arrangements were discontinued in 2010, federal tax law rules prevented CMB from transferring the insurance policies to the affected employees, and fully terminating these arrangements, for 12 months following the Board action to end its sponsorship and contributions As a result, affected employees were taxed on the value of those split dollar life insurance policies in 2011, when the policies or the value of them was actually transferred to the employees Although these benefits were earned over many years of employment, the full value of the benefits must be treated as taxable compensation in the year that the employee receives the policy or the benefit In prior years, the premiums paid for the life insurance arrangements were reported in Part II Column B(iii) as non-taxable benefits in the years they were paid The portions of reportable compensation that were due to this acceleration treatment are as follows David Dwight - \$283,443 23 Rick Fisk - \$274,538 58 Elizabeth Buikema - \$75,181 58 Steven P Anderson - \$67,348 01 John R Harriff - \$92,164 41 Terri Cunliffe - \$119,770 13 David Erickson - \$19,001 89 Kathleen Jenkins - \$45,430 60 Rebecca Neth Townsend - \$103,533 68 Sneha Patel - \$93,791 79 Thomas Pluta - \$41,262 65 Robert Wall - \$146,272 79 Jane Westerfield - \$62,941 21 Part II, Column C Deferred compensation includes an estimate of the contribution made to an employer sponsored defined benefit pension plan Part II, Column D Nontaxable benefits include health insurance premiums paid by the employer and employee

**Schedule K  
(Form 990)**

OMB No 1545-0047

**Supplemental Information on Tax Exempt Bonds**

▶ **Complete if the organization answered "Yes" to Form 990, Part IV, line 24a. Provide descriptions, explanations, and any additional information in Schedule O (Form 990).**

▶ **Attach to Form 990. ▶ See separate instructions.**

**2011**

**Open to Public  
Inspection**

Department of the Treasury  
Internal Revenue Service

Name of the organization  
Covenant Retirement Communities Inc

**Employer identification number**

36-3478388

**Part I Bond Issues**

	(a) Issuer Name	(b) Issuer EIN	(c) CUSIP #	(d) Date Issued	(e) Issue Price	(f) Description of Purpose	(g) Defeased		(h) On Behalf of Issuer		(i) Pool financing	
							Yes	No	Yes	No	Yes	No
<b>A</b>	Illinois Finance Authority	86-1091967	000000000	12-14-2011	59,165,000	See Part VI		X		X		X
<b>B</b>	Colorado Health Facilities Authority	84-0752932	196474ZS9	08-05-2005	148,620,000	See Part VI		X		X		X

**Part II Proceeds**

		A	B	C	D
<b>1</b>	Amount of bonds retired		22,915,000		
<b>2</b>	Amount of bonds defeased				
<b>3</b>	Total proceeds of issue	59,165,000	145,281,773		
<b>4</b>	Gross proceeds in reserve funds				
<b>5</b>	Capitalized interest from proceeds				
<b>6</b>	Proceeds in refunding escrow		12,300,610		
<b>7</b>	Issuance costs from proceeds	800,459	2,429,078		
<b>8</b>	Credit enhancement from proceeds				
<b>9</b>	Working capital expenditures from proceeds				
<b>10</b>	Capital expenditures from proceeds	3,656,154	129,090,405		
<b>11</b>	Other spent proceeds	51,963,598			
<b>12</b>	Other unspent proceeds	2,744,789	1,461,680		
<b>13</b>	Year of substantial completion	2009			
		Yes	No	Yes	No
<b>14</b>	Were the bonds issued as part of a current refunding issue?	X		X	
<b>15</b>	Were the bonds issued as part of an advance refunding issue?		X	X	
<b>16</b>	Has the final allocation of proceeds been made?		X	X	
<b>17</b>	Does the organization maintain adequate books and records to support the final allocation of proceeds?	X		X	

**Part III Private Business Use**

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
<b>1</b>	Was the organization a partner in a partnership, or a member of an LLC, which owned property financed by tax-exempt bonds?		X		X				
<b>2</b>	Are there any lease arrangements that may result in private business use of bond-financed property?		X		X				

**Part III Private Business Use (Continued)**

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
<b>3a</b> Are there any management or service contracts that may result in private business use?	X		X					
<b>b</b> If 'Yes' to line 3a, does the organization routinely engage bond counsel or other outside counsel to review any management or service contracts relating to the financed property?	X		X					
<b>c</b> Are there any research agreements that may result in private business use of bond-financed property?		X		X				
<b>d</b> If 'Yes' to line 3c, does the organization routinely engage bond counsel or other outside counsel to review any research agreements relating to the financed property?								
<b>4</b> Enter the percentage of financed property used in a private business use by entities other than a section 501(c)(3) organization or a state or local government		0 %		0 %				
<b>5</b> Enter the percentage of financed property used in a private business use as a result of unrelated trade or business activity carried on by your organization, another section 501(c)(3) organization, or a state or local government		0 %		0 %				
<b>6</b> Total of lines 4 and 5		0 %		0 %				
<b>7</b> Has the organization adopted management practices and procedures to ensure the post-issuance compliance of its tax-exempt bond liabilities?	X		X					

**Part IV Arbitrage**

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
<b>1</b> Has a Form 8038-T, Arbitrage Rebate, Yield Reduction and Penalty in Lieu of Arbitrage Rebate, been filed with respect to the bond issue?		X		X				
<b>2</b> Is the bond issue a variable rate issue?	X			X				
<b>3a</b> Has the organization or the governmental issuer entered into a hedge with respect to the bond issue?		X		X				
<b>b</b> Name of provider								
<b>c</b> Term of hedge								
<b>d</b> Was the hedge superintegrated?								
<b>e</b> Was a hedge terminated?								
<b>4a</b> Were gross proceeds invested in a GIC?		X		X				
<b>b</b> Name of provider								
<b>c</b> Term of GIC								
<b>d</b> Was the regulatory safe harbor for establishing the fair market value of the GIC satisfied?								
<b>5</b> Were any gross proceeds invested beyond an available temporary period?		X		X				
<b>6</b> Did the bond issue qualify for an exception to rebate?		X		X				

**Part V Procedures To Undertake Corrective Action**

Check the box if the organization established written procedures to ensure that violations of federal tax requirements are timely identified and corrected through the voluntary closing agreement program if self-remediation is not available under applicable regulations . . . . .  Yes  No

**Part VI Supplemental Information**

Complete this part to provide additional information for responses to questions on Schedule K (see instructions)

Identifier	Return Reference	Explanation
Part I, Row A, Column F	Description of Purpose	Borrowings were used, along with other funds, to (1) retire \$53,285,000 of other variable rate debt recorded on the balance sheets of wholly owned subsidiaries of CRC (2) to pay debt issuance costs of \$800,459 and (3) to fund capital projects of \$6,401,003 for four wholly owned subsidiaries of CRC
Part I, Row B, Column F	Description of Purpose	Borrowings were used to (1) construct and equip residential living buildings for six wholly owned subsidiaries of CRC (2) to pay debt issuance costs of \$2,429,078
Part II Line 3 Column B	Total Proceeds of Issue	The amount in Line 3 does not equal the amount in Part I, Row B, Col E because CRC retired \$12,650,000 of the bonds, which reduced the amount required to be held in reserve
Part II Line 16 Column A	Final Allocation of Proceeds	The final allocation of proceeds to wholly owned subsidiaries of CRC has not been made as of January 31, 2012
Part V	Procedures to Undertake Corrective Action	CRC does not have a established written procedures but is in the process of developing documentation

Schedule L (Form 990 or 990-EZ)

Transactions with Interested Persons

OMB No 1545-0047

2011

Open to Public Inspection

Complete if the organization answered "Yes" on Form 990, Part IV, lines 25a, 25b, 26, 27, 28a, 28b, or 28c, or Form 990-EZ, Part V lines 38a or 40b. Attach to Form 990 or Form 990-EZ. See separate instructions.

Department of the Treasury Internal Revenue Service

Name of the organization: Covenant Retirement Communities Inc

Employer identification number: 36-3478388

Part I Excess Benefit Transactions (section 501(c)(3) and section 501 (c)(4) organizations only). Complete if the organization answered "Yes" on Form 990, Part IV, line 25a or 25b, or Form 990-EZ, Part V, line 40b

Table with 3 main columns: (a) Name of disqualified person, (b) Description of transaction, (c) Corrected? (Yes/No)

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

Part II Loans to and/or From Interested Persons.

Complete if the organization answered "Yes" on Form 990, Part IV, line 26, or Form 990-EZ, Part V, line 38a

Table with 7 main columns: (a) Name of interested person and purpose, (b) Loan to or from the organization?, (c) Original principal amount, (d) Balance due, (e) In default?, (f) Approved by board or committee?, (g) Written agreement?

Part III Grants or Assistance Benefitting Interested Persons.

Complete if the organization answered "Yes" on Form 990, Part IV, line 27.

Table with 3 main columns: (a) Name of interested person, (b) Relationship between interested person and the organization, (c) Amount of grant or type of assistance

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

Complete if the organization answered "Yes" on Form 990, Part IV, line 28a, 28b, or 28c.

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of transaction	(d) Description of transaction	(e) Sharing of organization's revenues?	
				Yes	No
(1) Grant Erickson	See Part V	166,221	See Part V		No
(2) Michael Peoples	See Part V	86,495	See Part V		No

**Part V Supplemental Information**

Complete this part to provide additional information for responses to questions on Schedule L (see instructions)

Identifier	Return Reference	Explanation
Sch L Part IV (b) and (d)	Business Transactions Involving Interested Persons	a) Name of Person Grant Erickson b) Relationship Between Interested Person and Organization Familymember of David Erickson (Vice President & Assistant Secretary) c) Amount of Transaction \$166,221 d) Description of Transaction Partner in a law firm that provides legal counsel to the organization a) Name of Person Michael Peoples b) Relationship Between Interested Person and Organization Familymember of Rick Fisk (Director/Ex-Officio and President of CRC) c) Amount of Transaction \$86,495 d) Description of Transaction Employee of MHC Software, a company that provides software product and support to CRC

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

Department of the Treasury  
Internal Revenue Service

**Supplemental Information to Form 990 or 990-EZ**

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

OMB No 1545-0047

**2011**

**Open to Public  
Inspection**

Name of the organization  
Covenant Retirement Communities Inc

**Employer identification number**

36-3478388

Identifier	Return Reference	Explanation
Mission Statement	Form 990 - Part III - Line 1	As a ministry of the Evangelical Covenant Church, Covenant Retirement Communities celebrates God's gift of life in Christian community. We follow the Great Commandment to love and serve God and one another as taught by Jesus Christ. That compels us to affirm the dignity of each person and to pursue excellence and financial integrity in all that we do. As we provide a broad range of resources, services and programs to enhance individual and community wellness, we collaborate with residents and families to achieve the best possible results. While seeking to foster independence, we respond to each individual's evolving needs in order to provide the security that assures peace of mind. CRC, Inc. is organized and operated for the benefit of, and to plan and support the charitable purposes of, several continuing care retirement communities, all nonprofit organizations, consisting of residential living, assisted living facilities, and skilled nursing homes, as well as other senior services organizations and services. In addition to the program service accomplishments of each organization, Covenant Retirement Communities, Inc., provided \$6,091,906 of free or discounted services to those residents unable to pay all or a portion of their charges, and who meet certain eligibility requirements.

Identifier	Return Reference	Explanation
	Form 990, Part VI, Section A, line 6	The members are the individual members of the Board of Benevolence

Identifier	Return Reference	Explanation
	Form 990, Part VI, Section A, line 7a	The individual members of the Board of Benevolence elect the CRC Board of Directors

Identifier	Return Reference	Explanation
	Form 990, Part VI, Section A, line 7b	S 2 4 of Bylaws include reserved powers to the members such as appointment of president of Covenant Retirement Communities, Inc (CRC), changes to mission and strategic plan, approval of certain acquisitions, dispositions and financings, changes to articles and bylaws

Identifier	Return Reference	Explanation
	Form 990, Part VI, Section B, line 11	Management Review The draft Form 990 was reviewed by multiple levels of management including the President of CRC, the Vice President of Finance/CFO and the Vice President of Legal Affairs Board Review Prior to filing, key provisions of the Form were discussed with the Board of Directors at the Board meeting and the final Form 990 was provided to each Board member

Identifier	Return Reference	Explanation
	Form 990, Part VI, Section B, line 12c	<p>Covenant Retirement Communities, Inc (CRC) has an Administrative Policy on conflict of interest, identifying the parameters of a conflict of interest and the requirement to disclose any such conflict of interest. Each January, the CRC policy is distributed to CRC board members and officers. They are asked to sign acknowledging receipt of the policy and to disclose if they have any conflict of interests. If someone is absent from the meeting or fails to return the acknowledgment, there is a follow-up with the individual until the signed acknowledgment is provided. In addition to the above, a separate and more comprehensive questionnaire is sent to the board members, officers, key employees and other interested persons. The completed questionnaires are reviewed by CRC's legal counsel to determine if any actual or potential conflicts exist. If a person becomes an interested person, he or she may be considered in determining whether a quorum is present. The interested person may make a short statement relating to the transaction or arrangement in question, but shall not be present during the discussion and shall not vote on the motion addressing the actual or potential conflict.</p>

Identifier	Return Reference	Explanation
	Form 990, Part VI, Section B, line 15	<p>CRC's Board of Directors has duly appointed an Executive Compensation Committee (the "Committee"), which is responsible for the review and approval of all compensation and benefits provided to CRC's executive management. The Committee has adopted a written Executive Compensation Philosophy Statement and an Executive Compensation Committee Charter governing the work and review process of the Committee. The Committee follows the procedures described in the Philosophy Statement and the Charter when it reviews and approves the compensation and employee benefits provided to the CRC's senior management. The Committee's review analyzes every element of compensation, including current and deferred compensation, and benefits, including qualified and non-qualified benefits. The Committee conducts its review and approval process at least annually, and approves compensation and benefits only to the extent that the Committee has concluded that the compensation and benefits constitute no more than reasonable compensation for each executive. The Committee consists entirely of disinterested members of the Board, and the Committee works with an independent compensation consultant to prepare and review in advance comprehensive data showing the compensation provided by similarly situated organizations for functionally similar positions. The Committee also prepares a timely and thorough written record of its deliberations and conclusions. As a result, the Committee's review process is designed to satisfy the procedural criteria necessary to qualify for the rebuttable presumption of reasonableness under the federal income tax law intermediate sanctions rules. The resources utilized by the compensation Committee include 1) independent compensation consultant, 2) written employment contract, 3) compensation survey or study, 4) approval by the board or compensation committee.</p>

Identifier	Return Reference	Explanation
	Form 990, Part VI, Section C, line 18	Form 990, Part VI, Section C, Line 18 A copy of the organization's Form 990 is available upon request by contacting the CRC accounting department at 773-878-5744

Identifier	Return Reference	Explanation
	Form 990, Part VI, Section C, line 19	Form 990, Part VI, Section C, Line 19 The governing documents, conflict of interest policy and financial statements are available upon request by contacting the CRC accounting department at 773-878-5744

<b>Identifier</b>	<b>Return Reference</b>	<b>Explanation</b>
Related Organizations	Form 990 - Part VII - Section A	Officers and Directors devote less than 1 hour per week to related organizations

Identifier	Return Reference	Explanation
All Other Expenses	Form 990 - Part IX - Line 24e	Expenses included in this line - \$ 9,769,798 - Unrealized Losses on Investments - \$33,878,678 - Unrealized Losses in Derivative Instruments - \$ 54,401 - Miscellaneous Expenses

Identifier	Return Reference	Explanation
Changes in Net Assets or Fund Balances	Form 990, Part XI, line 5	Change in Temporarily Restricted Net Assets not included on Income Stmtnt -281,984 Change in Permanently Restricted Net Assets not included on Income Stmtnt 102,741 Change in Nets Assets (Cov Sol, Holdings I & II) not include this year 1,438,723 Total to Form 990, Part XI, Line 5 1,259,480

**SCHEDULE R  
(Form 990)**

**Related Organizations and Unrelated Partnerships**

OMB No 1545-0047

**2011**

**Open to Public Inspection**

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

Department of the Treasury  
Internal Revenue Service

**Name of the organization**

Covenant Retirement Communities Inc

**Employer identification number**

36-3478388

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

(a) Name, address, and EIN of disregarded entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Total income	(e) End-of-year assets	(f) Direct controlling entity
(1) Estates of Windsor Park 5700 Old Orchard Road Skokie, IL 60077 36-3478388	Residential Senior Services	IL	3,247,809	23,610,818	N/A

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled organization	
						Yes	No
(1) Evangelical Covenant Church 8303 West Higgins Road Chicago, IL 60631 36-2167730	Church	IL	501(c)(3)	Line 1	N/A		No
(2) Swedish Covenant Faculty Group (SCFG) 5145 North California Avenue Chicago, IL 60625 36-3686216	Patient Treatment/Education	IL	501(c)(3)	Line 11a, I	Swedish Covenant Hospital		No
(3) Swedish Covenant Hospital 5145 North California Avenue Chicago, IL 60625 36-2179813	Hospital	IL	501(c)(3)	Line 3	Covenant Ministries of Benevolence		No
(4) Swedish Covenant Hospital Foundation (SCHF) 5145 North California Avenue Chicago, IL 60625 20-5055155	Supporting Organization of SCH	IL	501(c)(3)	Line 7	Swedish Covenant Hospital		No
(5) SC Insurance Company 6970 E Chauncey Lane Suite 100 Phoenix, AZ 85054 27-3312053	Insurance	AZ	501(c)(3)	Line 11a, I	Swedish Covenant Hospital		No

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income (related, unrelated, excluded from tax under sections 512-514)	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproportionate allocations?		(i) Code V—UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner?		(k) Percentage ownership
							Yes	No		Yes	No	
<b>(1)</b> Cardiovascular Performance Group LLC 5145 N California Avenue Chicago, IL 60625 20-3587272	Management Services	IL	N/A	N/A				No			No	
<b>(2)</b> Coast Asset Management LLC 2450 Colorado Ave Suite 100 E Tower Santa Monica, CA 90404 95-4763400	Hedge Fund Investment	CA	N/A	N/A				No			No	
<b>(3)</b> Covenant Village of Portland LP 420 NE Mason St Portland, OR 97211 36-4356838	Assisted Living Community	OR	N/A	N/A				No			No	
<b>(4)</b> Swedish Covenant Surgery LLC 5215 N California Avenue Chicago, IL 60625 27-2485300	Outpatient Medical Services	IL	N/A	N/A				No			No	

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership
<b>(1)</b> Covenant International Insurance Company Ltd Crawford House 50 Cedar Avenue Hamilton BD	Insurance	BD	N/A				50.000 %
<b>(2)</b> Covenant Trust Company 5215 Old Orchard Road Suite 725 Skokie, IL 60077 36-3583163	Financial Services	IL	N/A	C			
<b>(3)</b> Swedish Covenant Management Services Inc (SCMS) 5145 North California Avenue Chicago, IL 60625 36-4073303	Physician Practice Management	IL	N/A	C			
<b>(4)</b> Swedish Covenant Managed Care Alliance (SCMCA) 2740 West Foster Avenue Suite 409 Chicago, IL 60625 36-4118659	Physician - Hospital Organization	IL	N/A	C			

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

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

**1** During the tax year, did the organization engage in any of the following transactions with one or more related organizations listed in Parts II-IV?

- a** Receipt of **(i)** interest **(ii)** annuities **(iii)** royalties **(iv)** rent from a controlled entity
- b** Gift, grant, or capital contribution to related organization(s)
- c** Gift, grant, or capital contribution from related organization(s)
- d** Loans or loan guarantees to or for related organization(s)
- e** Loans or loan guarantees by related organization(s)

- f** Sale of assets to related organization(s)
- g** Purchase of assets from related organization(s)
- h** Exchange of assets with related organization(s)
- i** Lease of facilities, equipment, or other assets to related organization(s)
- j** Lease of facilities, equipment, or other assets from related organization(s)
- k** Performance of services or membership or fundraising solicitations for related organization(s)
- l** Performance of services or membership or fundraising solicitations by related organization(s)
- m** Sharing of facilities, equipment, mailing lists, or other assets with related organization(s)
- n** Sharing of paid employees with related organization(s)

- o** Reimbursement paid to related organization(s) for expenses
- p** Reimbursement paid by related organization(s) for expenses
- q** Other transfer of cash or property to related organization(s)
- r** Other transfer of cash or property from related organization(s)

	Yes	No
<b>1a</b>	Yes	
<b>1b</b>	Yes	
<b>1c</b>		No
<b>1d</b>		No
<b>1e</b>		No
<b>1f</b>		No
<b>1g</b>		No
<b>1h</b>		No
<b>1i</b>		No
<b>1j</b>		No
<b>1k</b>	Yes	
<b>1l</b>	Yes	
<b>1m</b>		No
<b>1n</b>		No
<b>1o</b>	Yes	
<b>1p</b>	Yes	
<b>1q</b>		No
<b>1r</b>	Yes	

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

(a) Name of other organization	(b) Transaction type(a-r)	(c) Amount involved	(d) Method of determining amount involved
<b>(1)</b> See Additional Data Table			
<b>(2)</b>			
<b>(3)</b>			
<b>(4)</b>			
<b>(5)</b>			
<b>(6)</b>			



**Part VII Supplemental Information**

Complete this part to provide additional information for responses to questions on Schedule R (see instructions)

**Identifier****Return Reference****Explanation****Schedule R (Form 990) 2011**

**Software ID:**  
**Software Version:**  
**EIN:** 36-3478388  
**Name:** Covenant Retirement Communities Inc

## Form 990, Schedule R, Part V - Transactions With Related Organizations

(a) Name of other organization	(b) Transaction type(a-r)	(c) Amount Involved (\$)	(d) Method of determining amount involved
(1) Colonial Acres Home Inc	O	3,029,431	
(2) Colonial Acres Home Inc	P	417,138	
(3) Colonial Acres Home Inc	B	350,000	
(4) Bethany Covenant Home	O	428,697	
(5) Bethany Covenant Home	P	235,479	
(6) Covenant Village of Florida	O	300,169	
(7) Covenant Village of Florida	P	318,657	
(8) Covenant Village of Florida	B	300,000	
(9) Windsor Park	O	2,557,819	
(10) Windsor Park	P	1,037,144	
(11) Covenant Village of Colorado	P	1,802,425	
(12) Covenant Home Illinois	O	2,157,570	
(13) Covenant Home Illinois	P	38,962	
(14) The Holmstad	O	1,778,076	
(15) The Holmstad	P	240,367	
(16) Covenant Healthcare Centers	P	1,945,991	
(17) Covenant Healthcare Centers	O	411,212	
(18) Covenant Home of Chicago	P	537,258	
(19) Covenanat Home Inc	O	5,788,638	
(20) Covenanat Home Inc	P	147,175	

**Form 990, Schedule R, Part V - Transactions With Related Organizations**

<b>(a)</b> Name of other organization	<b>(b)</b> Transaction type(a-r)	<b>(c)</b> Amount Involved (\$)	<b>(d)</b> Method of determining amount involved
<b>(21)</b> Covenantat Home Inc	B	300,000	
<b>(22)</b> Covenant Retirement Communities West	O	1,187,945	
<b>(23)</b> Covenant Retirement Communities West	P	7,099,709	
<b>(24)</b> Covenant Retirement Communities of the Great Lakes Conference	P	2,539,232	
<b>(25)</b> Covenant Retirement Services	O	2,285,239	
<b>(26)</b> Covenant Retirement Services	P	98,082	
<b>(27)</b> Covenant Housing Corporation	O	30,020	
<b>(28)</b> Covenant Home Services	O	2,970,317	
<b>(29)</b> Covenant Home Services	P	638,264	
<b>(30)</b> Covenant Ministries of Benevolence	L	2,013,000	
<b>(31)</b> Covenant Ministries of Benevolence	K	100,585	
<b>(32)</b> Covenant Ministries of Benevolence	P	114,660	
<b>(33)</b> Covenant Ministries of Benevolence	O	3,658,238	
<b>(34)</b> Covenant Ministries of Benevolence	R	17,336,314	

**TY 2011 Category 3 filer statement**

**Name:** Covenant Retirement Communities Inc

**EIN:** 36-3478388

Amount Of Indebtedness	Type Of Indebtedness	Name	Address	Identifying Number	Number Of Shares
		Covenant Retirement Communities Inc	5700 Old Orchard Road Skokie, IL 60077		880
		Covenant Ministries of Benevolence	5145 N California Ave Chicago, IL 60625		120

## TY 2011 Itemized Other Assets Schedule

**Name:** Covenant Retirement Communities Inc

**EIN:** 36-3478388

Corporation Name	Corporation EIN	Other Assets Description	Beginning Amount	Ending Amount
Covenant International Insurance Company		Accrued Interest	144,586	109,273
		Accounts Receivable/Prepaid Expenses	54,237	63,993
		Deferred Reinsurance Premiums	144,971	149,413
		Claims Escrow Account	10,500	10,500

## TY 2011 Other Deductions Schedule

**Name:** Covenant Retirement Communities Inc

**EIN:** 36-3478388

Description	Foreign Amount (should only be used when attached to 5471 Schedule C Line 16)	Amount
Losses and Loss Expenses Incurred	1,703,176	1,703,176
General & Administrative Expense	253,998	253,998

## TY 2011 Itemized Other Investments Schedule

**Name:** Covenant Retirement Communities Inc

**EIN:** 36-3478388

Corporation Name	Corporation EIN	Other Investments Description	Beginning Amount	Ending Amount
Covenant International Insurance Company		Equity Funds	2,771,394	2,869,519
		Fixed Income Funds	9,817,736	10,618,928
		Unquoted Investments	106,011	109,403

## TY 2011 Itemized Other Liabilities Schedule

**Name:** Covenant Retirement Communities Inc

**EIN:** 36-3478388

### TY 2011 Itemized Other Liabilities Schedule

Corporation Name	Corporation EIN	Other Liabilities Description	Beginning Amount	Ending Amount
Covenant International Insurance Company		Reserve for Losses/Loss Expense	4,958,408	5,509,432
		Unearned Premium	443,303	380,173

## TY 2011 Other Income Statement

**Name:** Covenant Retirement Communities Inc

**EIN:** 36-3478388

Description	Foreign Amount	Amount
Interest and Dividend Income	408,902	408,902
Gain/Loss on Sale of Investments	51,357	51,357
Amortization	-88,904	-88,904
Investment Management Fees	-92,505	-92,505
Unrealized Investment Income	-145,092	-145,092

**Additional Data**

**Software ID:**

**Software Version:**

**EIN:** 36-3478388

**Name:** Covenant Retirement Communities Inc

**Form 990, Schedule A, Part I, Line 11h - Provide the following information about the organizations the organization supports.**

(i) Name of Supported Organization	(ii) EIN	(iii) Type of organization (described on lines 1- 9 above or IRC section )	(iv) Is the organization in (i) listed in your governing document?		(v) Did you notify the organization in (i) of your support?		(vi) Is the organization in (i) organized in the U S ?		(vii) Amount of support?
			Yes	No	Yes	No	Yes	No	
(A) Colonial Acres Home Inc	418041150	9	Yes		Yes		Yes		350000
(B) Bethany Covenant Home	410706103	9	Yes		Yes		Yes		0
(C) Covenant Village of Florida	521115870	9	Yes		Yes		Yes		300000
(D) Covenant Home Illinois	362643638	9	Yes		Yes		Yes		0
(E) Covenant Healthcare Centers Inc	521115873	9	Yes		Yes		Yes		0
(F) The Holmstad	362835154	9	Yes		Yes		Yes		0
(G) Covenant Home of Chicago	363095932	9	Yes		Yes		Yes		0
(H) Covenant Home Inc Connecticut	131740015	9	Yes		Yes		Yes		300000
(I) Covenant Retirement Communities West	953472345	9	Yes		Yes		Yes		21876
(J) Covenant Village of Colorado	841084331	9	Yes		Yes		Yes		0
(K) Windsor Park	363385581	9	Yes		Yes		Yes		0
(L) Covenant Retirement Communities of the Great Lakes Conference	383244636	9	Yes		Yes		Yes		0
(M) Covenant Home Services	260744025	9	Yes		Yes		Yes		0
(N) Covenant Retirement Services	272480652	11	Yes		Yes		Yes		0

# Additional Data

**Software ID:**  
**Software Version:**  
**EIN:** 36-3478388  
**Name:** Covenant Retirement Communities Inc

## Form 990, Special Condition Description:

### Special Condition Description

## Form 990, Part III - 4 Program Service Accomplishments (See the Instructions)

### 4d. Other program services

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

The organization was involved in various community benefits projects which include the following - Monetary Donations to a various organizations/events such North Park University's Golf for Kids and Axelson Center Symposium, Sharing and Caring Hands, Covenant Harbor's Golf for Kids, Evangelical Covenant Church's Department of Compassion, Mercy, and Justice and Swedish Covenant Hospital (total of \$14,500)- In-Kind Donations of sweaters, mittens/gloves, scarves and other winter clothing to the North Park Friendship Center (\$800 in estimated value)

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

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
Jon P Aagaard MD Director	1 00	X						0	0	0
Curtis B Anderson Director	1 00	X						0	0	0
Rev Richard B Berry Director	1 00	X						0	0	0
Wendell Danielson Director	1 00	X						0	0	0
Rev Harvey Drake Director	1 00	X						0	0	0
James Elving Director	1 00	X						0	0	0
Marc E Espinosa Director	1 00	X						0	0	0
Lorene G Flewellen Director	1 00	X						0	0	0
Rhoda Friesen Director	1 00	X						0	0	0
Mary Miller Director	1 00	X						0	0	0
Cletus J Moll Director	1 00	X						0	0	0
Joyce Peterson Director	1 00	X						0	0	0
Norton Richards Director	1 00	X						0	0	0
Walter Schiller Director	1 00	X						0	0	0
Marlene Stante Director	1 00	X						0	0	0
Jean A Stebinger Director	1 00	X						0	0	0
Robert K Johnston Ex-Officio	1 00	X						0	0	0
David A Dwight Ex-Officio	1 00	X						0	848,677	95,681
Rick K Fisk Ex-Officio/President	40 00	X		X				0	897,465	84,268
Scott MacDonald Ex-Officio	1 00	X						0	0	0
Gary Walter Ex-Officio	1 00	X						0	151,985	115,788
Steven P Anderson Senior VP/Asst Secretary	40 00			X				252,774	0	70,881
Elizabeth B Burkema Senior VP/CFO/Treasurer	40 00			X				358,640	0	55,395
Moraine M Byrne Senior VP/Asst Secretary	40 00			X				202,945	0	47,866
Terri S Cunliffe EVP of Oper/Asst Sec	40 00			X				350,896	0	72,409

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

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
John R Harriff Senior VP/Asst Secretary	40 00			X				273,526	0	47,657
David G Erickson VP/Asst Secretary	40 00			X				226,176	0	40,285
Kathleen Jenkins Dir Admin Srvcs/Asst Secretary	40 00			X				176,448	0	70,348
Sneha Patel Chief Information Officer	40 00					X		258,394	0	40,355
Thomas V Pluta Nat Dir Of Fin Planning	40 00					X		195,030	0	26,672
Rebecca N Townsend Vice President	40 00					X		269,348	0	34,651
Robert J Wall Dir - IT Infrastructure	40 00					X		289,751	0	39,809
Jane Westerfield National Director - HR	40 00					X		176,688	0	46,614