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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
2012
Open to Public Inspection

A For the 2012 calendar year, or tax year beginning 02-01-2012, 2012, and ending 01-31-2013

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	C Name of organization Covenant Retirement Communities Inc Doing Business As		D 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		E Telephone number (773) 878-2294	
	City or town, state or country, and ZIP + 4 Skokie, IL 60077		G Gross receipts \$ 37,233,601	
	F Name and address of principal officer Elizabeth Buikema c/o CRC 5700 Old Orchard Rd Skokie, IL 60077		H(a) Is this a group return for affiliates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No H(b) Are all affiliates included? <input type="checkbox"/> Yes <input type="checkbox"/> No If "No," attach a list (see instructions) H(c) Group exemption number 2650	
I Tax-exempt status <input checked="" type="checkbox"/> 501(c)(3) <input type="checkbox"/> 501(c) () (Insert no) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527				
J Website: www.covenantretirement.org				
K Form of organization <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other			L Year of formation 1980	M State of legal domicile IL

Part I Summary

Activities & Governance	1 Briefly describe the organization's mission or most significant activities Care for senior adults		
	2 Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets		
	3 Number of voting members of the governing body (Part VI, line 1a)	3	20
	4 Number of independent voting members of the governing body (Part VI, line 1b)	4	16
	5 Total number of individuals employed in calendar year 2012 (Part V, line 2a)	5	110
	6 Total number of volunteers (estimate if necessary)	6	16
	7a Total unrelated business revenue from Part VIII, column (C), line 12	7a	0
b Net unrelated business taxable income from Form 990-T, line 34	7b	0	
Revenue	8 Contributions and grants (Part VIII, line 1h)	Prior Year	Current Year
	9 Program service revenue (Part VIII, line 2g)	12,945	16,894
	10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)	19,227,728	19,025,018
	11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	7,906,364	16,551,319
	12 Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	28,150,604	36,920,132
Expenses	13 Grants and similar amounts paid (Part IX, column (A), lines 1-3)	13,000	12,550
	14 Benefits paid to or for members (Part IX, column (A), line 4)	0	0
	15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)	7,475,067	7,716,962
	16a Professional fundraising fees (Part IX, column (A), line 11e)	0	0
	b Total fundraising expenses (Part IX, column (D), line 25) 458,138		
	17 Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e)	58,007,100	21,453,520
18 Total expenses Add lines 13-17 (must equal Part IX, column (A), line 25)	65,495,167	29,183,032	
19 Revenue less expenses Subtract line 18 from line 12	-37,344,563	7,737,100	
Net Assets or Fund Balances	20 Total assets (Part X, line 16)	Beginning of Current Year	End of Year
	21 Total liabilities (Part X, line 26)	118,898,146	127,258,395
	22 Net assets or fund balances Subtract line 21 from line 20	113,255,955	113,395,186
		5,642,191	13,863,209

Part II Signature Block

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

Sign Here	*****	2013-12-11			
	Signature of officer	Date			
	Elizabeth Buikema VP of Finance/CFO Type or print name and title				
Paid Preparer Use Only	Pnnt/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	Firm's name			Firm's EIN	
	Firm's address			Phone no	

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

Part III Statement of Program Service Accomplishments

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



1 Briefly describe the organization's mission

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 (SEE SCHEDULE O)

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? Yes No

If "Yes," describe these new services on Schedule O

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? Yes No

If "Yes," describe these changes on Schedule O

4 Describe the organization's program service accomplishments for each of its three largest program services, as measured by expenses. Section 501(c)(3) and 501(c)(4) organizations are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported

4a (Code) (Expenses \$ 25,080,383 including grants of \$ 12,550) (Revenue \$ 17,417,471)

The number of persons residing at the continuing care retirement communities, operated by Covenant Retirement Communities, Inc (CRC), who benefited from the services we provided for the year ended January 31, 2013 were as follows Residential & Catered Living There were a total of 3,292 residents, occupying 2,518 apartments at 01/31/2013. Residency for the fiscal year totaled 1,203,607 resident days Assisted Living There were a total of 607 assisted living residents at 01/31/2013. Assisted living residency for the fiscal year totaled 227,805 patient days Skilled Nursing There were a total of 721 skilled care patients at 01/31/2013. Skilled care residency for the fiscal year totaled 263,853 patient days

4b (Code) (Expenses \$ 2,922,159 including grants of \$) (Revenue \$ 2,950,666)

Estates of Windsor Park The number of persons who benefited from the services we provided for the year ended January 31, 2013 were as follows There were a total of 92 residents, occupying 61 apartments at 01/31/2013. Residency for the fiscal year totaled 33,340 resident days

4c (Code) (Expenses \$ including grants of \$) (Revenue \$)

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

The organization was involved in various community benefits projects which include the following - Provided space usage for meetings & events for small (under 35 people) groups including Illinois Future Problem Solvers, Rock of Hope Ministries Board (equivalent to \$11,000)- Monetary Donations to a various organizations/events such as Evangelical Covenant Church, North Park University, Covenant Harbor and Swedish Covenant Hospital (total of \$12,550)

4d Other program services (Describe in Schedule O) (Expenses \$ including grants of \$) (Revenue \$)

4e Total program service expenses 28,002,542

Part IV Checklist of Required Schedules

	Yes	No
1 Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? <i>If "Yes," complete Schedule A</i> <input checked="" type="checkbox"/>	Yes	
2 Is the organization required to complete <i>Schedule B, Schedule of Contributors</i> (see instructions)? <input checked="" type="checkbox"/>	Yes	
3 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
4 Section 501(c)(3) organizations. 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
5 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
6 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
7 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
8 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
9 Did the organization report an amount in Part X, line 21 for escrow or custodial account liability, 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	
10 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	
11 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		
a 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 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"/>		No
c 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
d 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	
e 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	
f 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"/>	Yes	
12a Did the organization obtain separate, independent audited financial statements for the tax year? <i>If "Yes," complete Schedule D, Parts XI and XII</i> <input checked="" type="checkbox"/>		No
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 and XII is optional</i> <input checked="" type="checkbox"/>	Yes	
13 Is the organization a school described in section 170(b)(1)(A)(ii)? <i>If "Yes," complete Schedule E</i>		No
14a Did the organization maintain an office, employees, or agents outside of the United States?		No
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, Parts I and IV</i>		No
15 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or assistance to any organization or entity located outside the United States? <i>If "Yes," complete Schedule F, Parts II and IV</i>		No
16 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or assistance to individuals located outside the United States? <i>If "Yes," complete Schedule F, Parts III and IV</i>		No
17 Did the organization report a total of more than \$15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? <i>If "Yes," complete Schedule G, Part I (see instructions)</i>		No
18 Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? <i>If "Yes," complete Schedule G, Part II</i>		No
19 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
20a Did the organization operate one or more hospital facilities? <i>If "Yes," complete Schedule H</i>		No
b If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return?		

Part IV Checklist of Required Schedules *(continued)*

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

Part V Statements Regarding Other IRS Filings and Tax Compliance

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 response. Includes questions 1a-1b, 1c, 2a-2b, 3a-3b, 4a-4b, 5a-5c, 6a-6b, 7a-7h, 8, 9a-9b, 10a-10b, 11a-11b, 12a-12b, 13a-13c, and 14a-14b.

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

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

		Yes	No
10a	Did the organization have local chapters, branches, or affiliates?		No
10b	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?		
11a	Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form?	Yes	
11b	Describe in Schedule O the process, if any, used by the organization to review this Form 990		
12a	Did the organization have a written conflict of interest policy? If "No," go to line 13	Yes	
12b	Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	Yes	
12c	Did the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this was done	Yes	
13	Did the organization have a written whistleblower policy?	Yes	
14	Did the organization have a written document retention and destruction policy?	Yes	
15	Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?		
15a	The organization's CEO, Executive Director, or top management official	Yes	
15b	Other officers or key employees of the organization	Yes	
	If "Yes" to line 15a or 15b, describe the process in Schedule O (see instructions)		
16a	Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?		No
16b	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 Other (explain in Schedule O)
- 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 during the tax year
- 20** State the name, physical address, and telephone number of the person who possesses the books and records of the organization
Elizabeth Buikema C/O CRC 5700 Old Orchard Rd Skokie, IL (773) 878-2294

Part VIII Statement of Revenue

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

		(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514	
Contributions, Gifts, Grants and Other Similar Amounts	1a Federated campaigns 1a _____					
	b Membership dues 1b _____					
	c Fundraising events 1c _____					
	d Related organizations 1d _____					
	e Government grants (contributions) 1e _____					
	f All other contributions, gifts, grants, and similar amounts not included above 1f _____ 16,894					
	g Noncash contributions included in lines 1a-1f \$ _____					
	h Total. Add lines 1a-1f ▶		16,894			
Program Service Revenue	2a Management Fees _____ Business Code _____					
	b Routine Services _____	561000	16,834,755	16,834,755		
	c Entrance Fee _____	623000	2,007,405	2,007,405		
	d Ancillary Service _____	623000	181,715	181,715		
	e _____		1,143	1,143		
	f All other program service revenue _____					
	g Total. Add lines 2a-2f ▶		19,025,018			
	Other Revenue	3 Investment income (including dividends, interest, and other similar amounts) ▶		16,525,219		16,525,219
4 Income from investment of tax-exempt bond proceeds ▶						
5 Royalties ▶						
6a Gross rents		(i) Real	297,251			
		(ii) Personal				
		b Less rental expenses	313,469			
		c Rental income or (loss)	-16,218			
d Net rental income or (loss) ▶			-16,218			-16,218
7a Gross amount from sales of assets other than inventory		(i) Securities				
		(ii) Other		26,100		
		b Less cost or other basis and sales expenses		0		
		c Gain or (loss)		26,100		
d Net gain or (loss) ▶			26,100			26,100
8a Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c) See Part IV, line 18 a _____		b Less direct expenses b _____				
		c Net income or (loss) from fundraising events ▶				
	9a Gross income from gaming activities See Part IV, line 19 a _____	b Less direct expenses b _____				
c Net income or (loss) from gaming activities ▶						
10a Gross sales of inventory, less returns and allowances a _____		b Less cost of goods sold b _____				
	c Net income or (loss) from sales of inventory ▶					
	Miscellaneous Revenue _____ Business Code _____					
11a Services to Residents _____	623000	2,374	2,374			
	b Support Services _____	623000	2,283	2,283		
	c _____					
	d All other revenue		1,338,462	1,338,462		
e Total. Add lines 11a-11d ▶		1,343,119				
12 Total revenue. See Instructions ▶		36,920,132	20,368,137	0	16,535,101	

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)

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

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.		(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1	Grants and other assistance to governments and organizations in the United States. See Part IV, line 21	12,550	12,550		
2	Grants and other assistance to individuals in the United States. See Part IV, line 22				
3	Grants and other assistance to governments, organizations, and individuals outside the United States. See Part IV, lines 15 and 16				
4	Benefits paid to or for members				
5	Compensation of current officers, directors, trustees, and key employees				
6	Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	1,378,029	1,378,029		
7	Other salaries and wages	4,661,844	4,416,140	102,621	143,083
8	Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)	526,501	504,569	10,556	11,376
9	Other employee benefits	805,689	757,510	10,948	37,231
10	Payroll taxes	344,899	327,068	7,326	10,505
11	Fees for services (non-employees)				
a	Management	69,722	69,722		
b	Legal	147,469	144,073	3,396	
c	Accounting	100,882	100,586	296	
d	Lobbying				
e	Professional fundraising services. See Part IV, line 17				
f	Investment management fees	510,142	510,142		
g	Other (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O)	1,880,584	1,832,665	3,900	44,019
12	Advertising and promotion	115,765	79,980		35,785
13	Office expenses	254,883	238,856	14,207	1,820
14	Information technology	3,675,785	3,675,785		
15	Royalties				
16	Occupancy	276,153	276,153		
17	Travel	729,231	697,928		31,303
18	Payments of travel or entertainment expenses for any federal, state, or local public officials				
19	Conferences, conventions, and meetings	57,760	55,145	1,730	885
20	Interest	885,090	699,222	177,017	8,851
21	Payments to affiliates				
22	Depreciation, depletion, and amortization	2,422,401	2,252,400	124,737	45,264
23	Insurance	82,575	82,575		
24	Other expenses. Itemize expenses not covered above (List miscellaneous expenses in line 24e. If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O)				
a	Related Party Activity	8,301,128	8,193,561	107,567	
b	Admin & General	1,182,980	1,182,980		
c	Taxes	270,334	114,404	155,930	
d	Resident Care Services	176,327	176,327		
e	All other expenses	314,309	224,172	2,121	88,016
25	Total functional expenses. Add lines 1 through 24e	29,183,032	28,002,542	722,352	458,138
26	Joint costs. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation. Check here <input type="checkbox"/> if following SOP 98-2 (ASC 958-720)				

Part X Balance Sheet

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

		(A)		(B)
		Beginning of year		End of year
Assets	1 Cash—non-interest-bearing	101	1	4,115,085
	2 Savings and temporary cash investments	8,518,778	2	468,962
	3 Pledges and grants receivable, net	16,132	3	19,814
	4 Accounts receivable, net	574,154	4	614,398
	5 Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L		5	
	6 Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions) Complete Part II of Schedule L		6	
	7 Notes and loans receivable, net	7,267	7	7,500
	8 Inventories for sale or use		8	
	9 Prepaid expenses and deferred charges	2,808,824	9	3,747,281
	10a Land, buildings, and equipment cost or other basis Complete Part VI of Schedule D	10a 45,349,837		
	b Less accumulated depreciation	10b 11,825,371	33,608,179	10c 33,524,466
	11 Investments—publicly traded securities	21,725,557	11	32,007,451
	12 Investments—other securities See Part IV, line 11	11,498,834	12	3,201,966
	13 Investments—program-related See Part IV, line 11		13	
	14 Intangible assets		14	
	15 Other assets See Part IV, line 11	40,140,320	15	49,551,472
16 Total assets. Add lines 1 through 15 (must equal line 34)	118,898,146	16	127,258,395	
Liabilities	17 Accounts payable and accrued expenses	10,712,550	17	10,154,029
	18 Grants payable		18	
	19 Deferred revenue	10,852,498	19	10,121,029
	20 Tax-exempt bond liabilities	23,150,017	20	37,810,712
	21 Escrow or custodial account liability Complete Part IV of Schedule D	6,710	21	414,080
	22 Loans and other payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons Complete Part II of Schedule L		22	
	23 Secured mortgages and notes payable to unrelated third parties		23	
	24 Unsecured notes and loans payable to unrelated third parties		24	
	25 Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24) Complete Part X of Schedule D	68,534,180	25	54,895,336
	26 Total liabilities. Add lines 17 through 25	113,255,955	26	113,395,186
Net Assets or Fund Balances	Organizations that follow SFAS 117 (ASC 958), check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.			
	27 Unrestricted net assets	1,289,848	27	9,026,948
	28 Temporarily restricted net assets	344,838	28	378,714
	29 Permanently restricted net assets	4,007,505	29	4,457,547
	Organizations that do not follow SFAS 117 (ASC 958), check here <input type="checkbox"/> and complete lines 30 through 34.			
	30 Capital stock or trust principal, or current funds		30	
	31 Paid-in or capital surplus, or land, building or equipment fund		31	
	32 Retained earnings, endowment, accumulated income, or other funds		32	
33 Total net assets or fund balances	5,642,191	33	13,863,209	
34 Total liabilities and net assets/fund balances	118,898,146	34	127,258,395	

Part XI Reconciliation of Net Assets

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

1	Total revenue (must equal Part VIII, column (A), line 12)	1	36,920,132
2	Total expenses (must equal Part IX, column (A), line 25)	2	29,183,032
3	Revenue less expenses Subtract line 2 from line 1	3	7,737,100
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	5,642,191
5	Net unrealized gains (losses) on investments	5	
6	Donated services and use of facilities	6	
7	Investment expenses	7	
8	Prior period adjustments	8	
9	Other changes in net assets or fund balances (explain in Schedule O)	9	483,918
10	Net assets or fund balances at end of year Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	13,863,209

Part XII Financial Statements and Reporting

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

	Yes	No
1 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		
2a Were the organization's financial statements compiled or reviewed by an independent accountant? If "Yes," check a box below to indicate whether the financial statements for the year were compiled or reviewed on a separate basis, consolidated basis, or both <input type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis		No
2b Were the organization's financial statements audited by an independent accountant? If "Yes," check a box below to indicate whether the financial statements for the year were audited 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 separate basis	Yes	
2c If "Yes," to line 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	
3a As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?		No
3b 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		

Additional Data

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

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 (list any hours for related organizations below dotted line)	(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			
Jon P Aagaard MD Director	1 00 1 00	X						0	0	0
Curtis B Anderson Director	1 00 1 00	X						0	0	0
Rev Richard B Berry Director	1 00 1 00	X						0	0	0
Pamela Christensen Director	1 00 1 00	X						0	0	0
Wendell Danielson Director	1 00 1 00	X						0	0	0
Rev Harvey Drake Director	1 00 1 00	X						0	0	0
Mark C Eastburg Director	1 00 1 00	X						0	0	0
James Elving Director	1 00 1 00	X						0	0	0
Marc E Espinosa Director	1 00 1 00	X						0	0	0
Carol A Findling Director	1 00 1 00	X						0	0	0
Lorene G Flewellen Director	1 00 1 00	X						0	0	0
Rhoda Friesen Director	1 00 1 00	X						0	0	0
Thomas F Heywood Director	1 00 1 00	X						0	0	0
Donald Hodgkinson Director	1 00 1 00	X						0	0	0
Jody Holt Director	1 00 1 00	X						0	0	0
Cletus J Moll Director	1 00 1 00	X						0	0	0
Joyce Peterson Director	1 00 1 00	X						0	0	0
Walter Schiller Director	1 00 1 00	X						0	0	0
Marlene Stante Director	1 00 1 00	X						0	0	0
Anne Vining Director	1 00 1 00	X						0	0	0
David A Dwight Ex-Officio	1 00 40 00	X						0	581,280	129,403
Rick K Fisk Ex-Officio/President	40 00 1 00	X		X				0	594,265	61,092
Scott MacDonald Ex-Officio	1 00 1 00	X						0	0	0
Gary Walter Ex-Officio	1 00 40 00	X						0	157,472	117,568
Steven P Anderson Senior VP/Asst Secretary	40 00 1 00			X				29,325	0	12,327

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 (list any hours for related organizations below dotted line)	(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				
Elizabeth B Buikema Senior VP/CFO/Treasurer	40 00 1 00			X					276,556	0	62,425
Moraine M Byrne Senior VP/Asst Secretary	40 00 1 00			X					73,352	0	47,422
Terri S Cunliffe EVP of Oper/Asst Sec	40 00 1 00			X					266,398	0	87,577
John R Harriff Senior VP/Asst Secretary	40 00 1 00			X					236,007	0	10,277
David G Erickson VP/Asst Secretary	40 00 1 00			X					210,313	0	44,208
Kathleen Jenkins Dir Admin Svcs/Asst Secretary	40 00 1 00			X					132,856	0	55,436
Sneha Patel Chief Information Officer	40 00 1 00					X			186,595	0	36,298
Thomas V Pluta Assoc VP of Financial Planning	40 00 1 00					X			167,886	0	29,961
Kalen Carlson Controller	40 00 1 00					X			142,120	0	20,274
Elizabeth A Malzahn Nat Dir - Healthcare	40 00 1 00					X			142,167	0	21,131
Robert J Wall Dir - IT Infrastructure	40 00 1 00					X			150,231	0	42,381

SCHEDULE A
(Form 990 or 990EZ)

Public Charity Status and Public Support

OMB No 1545-0047

2012

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.

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 described in **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 - Non-functionally integrated
- 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 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
11g(i)		No
11g(ii)		No
11g(iii)		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 monetary support
			Yes	No	Yes	No	Yes	No	
See Additional Data Table									
Total									1,392,931

Part II Support Schedule for Organizations Described in Sections 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) 2008	(b) 2009	(c) 2010	(d) 2011	(e) 2012	(f) Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants.")						
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
3 The value of services or facilities furnished by a governmental unit to the organization without charge						
4 Total. Add lines 1 through 3						
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						
6 Public support. Subtract line 5 from line 4						

Section B. Total Support

Calendar year (or fiscal year beginning in) ▶	(a) 2008	(b) 2009	(c) 2010	(d) 2011	(e) 2012	(f) Total
7 Amounts from line 4						
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income Do not include gain or loss from the sale of capital assets (Explain in Part IV)						
11 Total support (Add lines 7 through 10)						
12 Gross receipts from related activities, etc (see instructions)					12	
13 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a 501(c)(3) organization, check this box and stop here ▶						

Section C. Computation of Public Support Percentage

14 Public support percentage for 2012 (line 6, column (f) divided by line 11, column (f))	14	
15 Public support percentage for 2011 Schedule A, Part II, line 14	15	
16a 33 1/3% support test—2012. If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization ▶		
b 33 1/3% support test—2011. If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization ▶		
17a 10%-facts-and-circumstances test—2012. If the organization did not check a box on line 13, 16a, or 16b, and line 14 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and stop here. Explain in Part IV how the organization meets the "facts-and-circumstances" test The organization qualifies as a publicly supported organization ▶		
b 10%-facts-and-circumstances test—2011. If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and stop here. Explain in Part IV how the organization meets the "facts-and-circumstances" test The organization qualifies as a publicly supported organization ▶		
18 Private foundation. If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions ▶		

Part III Support Schedule for Organizations Described in Section 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) 2008	(b) 2009	(c) 2010	(d) 2011	(e) 2012	(f) Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants.")						
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose						
3 Gross receipts from activities that are not an unrelated trade or business under section 513						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5 The value of services or facilities furnished by a governmental unit to the organization without charge						
6 Total. Add lines 1 through 5						
7a Amounts included on lines 1, 2, and 3 received from disqualified persons						
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						
c Add lines 7a and 7b						
8 Public support (Subtract line 7c from line 6)						

Section B. Total Support

Calendar year (or fiscal year beginning in) ▶	(a) 2008	(b) 2009	(c) 2010	(d) 2011	(e) 2012	(f) Total
9 Amounts from line 6						
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b						
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)						
13 Total support. (Add lines 9, 10c, 11, and 12.)						
14 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a 501(c)(3) organization, check this box and stop here <input type="checkbox"/>						

Section C. Computation of Public Support Percentage

15 Public support percentage for 2012 (line 8, column (f) divided by line 13, column (f))	15	
16 Public support percentage from 2011 Schedule A, Part III, line 15	16	

Section D. Computation of Investment Income Percentage

17 Investment income percentage for 2012 (line 10c, column (f) divided by line 13, column (f))	17	
18 Investment income percentage from 2011 Schedule A, Part III, line 17	18	

- 19a 33 1/3% support tests—2012.** 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—2011.** 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.** Complete this part to provide the explanations required by Part II, line 10; Part II, line 17a or 17b; and Part III, line 12. Also complete this part for any additional information. (See instructions).

Facts And Circumstances Test

Explanation

Additional Data

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

Form 990, Sch A, Part I, Line 11h - Provide the following information about the supported organization(s).

(i) Name of Supported Organization	(ii) EIN	(iii) Type of organization (described on lines 1- 9 above or IRC section)	(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	
Colonial Acres Home Inc	418041150	9	Yes		Yes		Yes		792931
Bethany Covenant Home	410706103	9	Yes		Yes		Yes		0
Covenant Village of Florida	521115870	9	Yes		Yes		Yes		300000
Covenant Home Illinois	362643638	9	Yes		Yes		Yes		0
Covenant Healthcare Centers Inc	521115873	9	Yes		Yes		Yes		0
The Holmstad	362835154	9	Yes		Yes		Yes		0
Covenant Home of Chicago	363095932	9	Yes		Yes		Yes		0
Covenant Home Inc Connecticut	131740015	9	Yes		Yes		Yes		300000
Covenant Retirement Communities West	953472345	9	Yes		Yes		Yes		0
Covenant Village of Colorado	841084331	9	Yes		Yes		Yes		0
Windsor Park	363385581	9	Yes		Yes		Yes		0
Covenant Retirement Communities of the Great Lakes Conference	383244636	9	Yes		Yes		Yes		0
Covenant Home Services	260744025	9	Yes		Yes		Yes		0
Covenant Retirement Services	272480652	11	Yes		Yes		Yes		0

SCHEDULE D (Form 990)

OMB No 1545-0047

Supplemental Financial Statements

2012

Open to Public Inspection

Complete if the organization answered "Yes," to Form 990, Part IV, line 6, 7, 8, 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 3 columns: (a) Donor advised funds, (b) Funds and other accounts, and a Yes/No column. Rows include total number at end of year, aggregate contributions, aggregate grants, aggregate value, and questions about donor advisement and grant fund usage.

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

Form for Part II Conservation Easements. Includes checkboxes for various purposes (land for public use, natural habitat, open space, historic structure), questions about monitoring, expenses, and reporting requirements.

Table titled 'Held at the End of the Year' with rows 2a, 2b, 2c, and 2d.

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.

Form for Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets. Includes questions about reporting requirements and amounts for revenues and assets.

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

3 Using the organization's acquisition, 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 XIII

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 XIII and complete the following table

	Amount
1c Beginning balance	
1d Additions during the year	
1e Distributions during the year	
1f 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 XIII. Check here if the explanation has been provided in Part XIII

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

	(a) Current year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1a Beginning of year balance	4,007,505	3,904,764	3,478,405	2,752,445	3,527,337
b Contributions					
c Net investment earnings, gains, and losses	463,870	123,480	446,318	752,986	-729,844
d Grants or scholarships	-21,028	-20,739	-19,959	-27,026	45,048
e Other expenditures for facilities and programs					
f Administrative expenses					
g End of year balance	4,450,347	4,007,505	3,904,764	3,478,405	2,752,445

2 Provide the estimated percentage of the current year end balance (line 1g, column (a)) held as

- a** Board designated or quasi-endowment 100 000 %
 - b** Permanent endowment
 - c** Temporarily restricted endowment
- The percentages in lines 2a, 2b, and 2c should equal 100%

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

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

4 Describe in Part XIII 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
1a Land		9,201,158		9,201,158
b Buildings		24,437,158	5,012,396	19,424,762
c Leasehold improvements				
d Equipment		10,498,043	6,760,093	3,737,950
e Other		1,213,478	52,882	1,160,596
Total. Add lines 1a through 1e (Column (d) must equal Form 990, Part X, column (B), line 10(c).)				33,524,466

Part XI Reconciliation of Revenue per Audited Financial Statements With Revenue per Return

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

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

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

Part XIII 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, line 2, Part XI, lines 2d and 4b, and Part XII, 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, Line 2	A FIN 48 footnote was included in the consolidated audited financial statements of Covenant Retirement Communities, Inc and affiliates which states "Accounting principles generally accepted in the United States of America require management to evaluate tax positions taken by the Retirement Communities and recognize a tax liability if the Retirement Communities have taken an uncertain position that more likely than not would not be sustained upon examination by the IRS or other applicable taxing authorities Management has analyzed the tax positions taken by the Retirement Communities and has concluded that as of January 31, 2013, there are no uncertain positions taken or expected to be taken that would require recognition of a liability or disclosure in the consolidated financial statements The Retirement communities are subject to routine audits by taxing jurisdictions, however, there are currently no audits for any tax periods in progress The Retirement Communities believe they are no longer subject to U S federal, state, and local, or non-U S income tax examinations by tax authorities for years before 2010 "

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.

Part III can be duplicated if additional space is needed.

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

Part IV Supplemental Information.

Complete this part to provide the information required in Part I, line 2, Part III, column (b), and any other additional information

Identifier	Return Reference	Explanation
Procedure for Monitoring Grants in the U S	Part I, Line 2	Schedule I, Part I, Line 2 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

2012

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

- 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 of 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 filing organization used to establish the compensation of the organization's CEO/Executive Director Check all that apply Do not check any boxes for methods used by a related organization to establish compensation of the CEO/Executive Director, but explain in Part III

- | | |
|--|--|
| <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 Regulations 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)?

	Yes	No
1b	Yes	
2	Yes	
4a	Yes	
4b	Yes	
4c		No
5a		No
5b		No
6a		No
6b		No
7	Yes	
8		No
9		

Part II Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees. Use duplicate copies if additional space is 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, applicable column (D) and (E) amounts for that individual

(A) Name and Title	(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 as deferred in prior Form 990
	(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
See Additional Data Table							

Part III Supplemental Information

Complete this part to provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 3, 4a, 4b, 4c, 5a, 5b, 6a, 6b, 7, and 8, and for Part II

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 one (1) senior-level employee - Health club dues paid for seven (7) 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, Lines 4a-b	Part I, Lines 4a-b Part I, Line 4a John R Harriff, an officer and Senior Vice President of Covenant Retirement Communities, Inc (CRC) until February 2012 received \$132,525 severance payment from CRC 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 - \$78,482 61 Rick Fisk - \$61,269 96 Elizabeth Buikema - \$24,608 58 Steven P Anderson - \$19,987 26 John R Harriff - \$11,783 44 Terri Cunliffe - \$21,899 90 David Erickson - \$21,270 98 Kathleen Jenkins - \$10,789 45 Moraine Byrne - \$18,560 00 Sneha Patel - \$15,593 50 Thomas Pluta - \$19,065 33 Robert Wall - \$15,753 50 Kalen Carlson - \$13,578 10
	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 2012 relate to the achievement of targets for the fiscal year ended 1/31/2012 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

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

Form 990, Schedule J, Part II - Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) 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 compensation				
David A Dwight	(i)	0	0	0	0	0	0	0
	(ii)	503,155	0	78,125	102,125	27,278	710,683	0
Rick K Fisk	(i)	0	0	0	0	0	0	0
	(ii)	412,768	91,770	89,727	38,852	22,240	655,357	0
Gary Walter	(i)	0	0	0	0	0	0	0
	(ii)	157,472	0	0	28,402	89,166	275,040	0
Elizabeth B Buikema	(i)	212,825	31,980	31,751	35,157	30,947	342,660	0
	(ii)	0	0	0	0	0	0	0
Terri S Cunliffe	(i)	198,566	32,000	35,832	72,711	17,477	356,586	0
	(ii)	0	0	0	0	0	0	0
John R Harriff	(i)	47,175	16,064	172,768	632	12,256	248,895	24,946
	(ii)	0	0	0	0	0	0	0
David G Erickson	(i)	155,845	29,129	25,339	23,153	26,818	260,284	0
	(ii)	0	0	0	0	0	0	0
Kathleen Jenkins	(i)	82,597	7,500	42,759	37,065	21,041	190,962	11,185
	(ii)	0	0	0	0	0	0	0
Sneha Patel	(i)	149,961	5,000	31,634	23,635	15,077	225,307	14,939
	(ii)	0	0	0	0	0	0	0
Thomas V Pluta	(i)	133,200	5,000	29,686	22,488	13,471	203,845	0
	(ii)	0	0	0	0	0	0	0
Kalen Carlson	(i)	112,329	5,000	24,791	11,945	11,602	165,667	0
	(ii)	0	0	0	0	0	0	0
Elizabeth A Malzahn	(i)	121,167	10,000	11,000	2,267	19,914	164,348	0
	(ii)	0	0	0	0	0	0	0
Robert J Wall	(i)	110,649	0	39,582	34,785	10,863	195,879	0
	(ii)	0	0	0	0	0	0	0

**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 Part VI.

▶ Attach to Form 990. ▶ See separate instructions.

2012

**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
A	Illinois Finance Authority	86-1091967	000000000	12-14-2011	59,165,000	See Part VI		X		X		X
B	Colorado Health Facilities Authority	84-0752932	196474ZS9	08-05-2005	149,845,454	See Part VI		X		X		X
C	Colorado Health Facilities Authority	84-0752932	19648AZM0	09-06-2012	154,966,180	See Part VI		X		X		X

Part II Proceeds

	A	B	C	D
1 Amount of bonds retired	640,000	25,335,000		
2 Amount of bonds legally defeased				
3 Total proceeds of issue	59,167,012	149,290,577	154,760,664	
4 Gross proceeds in reserve funds	12,312,088	12,312,088	14,905,878	
5 Capitalized interest from proceeds				
6 Proceeds in refunding escrows				
7 Issuance costs from proceeds	800,459	2,429,078	2,447,778	
8 Credit enhancement from proceeds				
9 Working capital expenditures from proceeds				
10 Capital expenditures from proceeds	6,400,943	134,547,402	6,414,247	
11 Other spent proceeds	51,963,598		117,591,400	
12 Other unspent proceeds	13,401,361		13,401,361	
13 Year of substantial completion	2012	2009		
	Yes	No	Yes	No
14 Were the bonds issued as part of a current refunding issue?	X		X	
15 Were the bonds issued as part of an advance refunding issue?		X	X	
16 Has the final allocation of proceeds been made?	X		X	
17 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
1 Was the organization a partner in a partnership, or a member of an LLC, which owned property financed by tax-exempt bonds?		X		X		X		
2 Are there any lease arrangements that may result in private business use of bond-financed property?		X		X		X		

Part III Private Business Use (Continued)

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
3a Are there any management or service contracts that may result in private business use of bond-financed property?	X		X		X			
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		X			
c Are there any research agreements that may result in private business use of bond-financed property?		X		X		X		
d 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?								
4 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 00000%		0 00000%		0 00000%		%	
5 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 00000%		0 00000%		0 00000%		%	
6 Total of lines 4 and 5	0 00000%		0 00000%		0 00000%		%	
7 Does the bond issue meet the private security or payment test?		X		X		X		
8a Has there been a sale or disposition of any of the bond financed property to a nongovernmental person other than a 501(c)(3) organization since the bonds were issued?		X		X		X		
b If "Yes" to line 8a, enter the percentage of bond-financed property sold or disposed of	%		%		%		%	
c If "Yes" to line 8a, was any remedial action taken pursuant to Regulations sections 1 141-12 and 1 145-2?								
9 Has the organization established written procedures to ensure that all nonqualified bonds of the issue are remediated in accordance with the requirements under Regulations sections 1 141-12 and 1 145-2?		X		X		X		

Part IV Arbitrage

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
1 Has the issuer filed Form 8038-T?		X		X		X		
2 If "No" to line 1, did the following apply?								
a Rebate not due yet?		X		X	X			
b Exception to rebate?		X		X		X		
c No rebate due?	X		X			X		
If you checked "No rebate due" in line 2c, provide in Part VI the date the rebate computation was performed								
3 Is the bond issue a variable rate issue?	X			X		X		
4a Has the organization or the governmental issuer entered into a qualified hedge with respect to the bond issue?		X		X		X		
b Name of provider								
c Term of hedge								
d Was the hedge superintegrated?								
e Was a hedge terminated?								

Part IV Arbitrage (Continued)

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
5a Were gross proceeds invested in a guaranteed investment contract (GIC)?		X		X		X		
b Name of provider								
c Term of GIC								
d Was the regulatory safe harbor for establishing the fair market value of the GIC satisfied?								
6 Were any gross proceeds invested beyond an available temporary period?		X		X		X		
7 Has the organization established written procedures to monitor the requirements of section 148?		X		X		X		

Part V Procedures To Undertake Corrective Action

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
1 Has 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?		X		X		X		

Part VI Supplemental Information. Complete this part to provide additional information for responses to questions on Schedule K (see instructions).

Identifier	Return Reference	Explanation
Schedule K Part IV, Arbitrage, Line 2c	Date Rebate Computation Performed	Issuer Name Illinois Finance Authority Date the Rebate Computation was Performed 12/31/2012 Issuer Name Colorado Health Facilities Authority Date the Rebate Computation was Performed 12/31/2010
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 certain 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 and to fund required bond reserves
Part I, Row C, Column F	Description of Purpose	Borrowings were used, along with other funds, to (1) retire \$131,220,000 of previously issued debt recorded on the balance sheets of wholly owned subsidiaries of CRC (2) to pay debt issuance costs of \$2,447,778 and (3) construct and equip residential and healthcare facilities for certain wholly owned subsidiaries of CRC
Part II, Line 3, Column A	Total Proceeds of Issue	The amount in Line 3 does not equal the amount in Part I, Row A, Col E because of investment earnings on reserves
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 redeemed and retired \$12,650,000 of the 2005 Bonds, which reduced the amount required to be held in the debt service reserve fund The amount in excess of the reserve fund requirement was used to redeem and retire a portion of the 2005 Bonds Additionally, investment earnings on the reserve fund were transferred to the bond sinking fund and bond interest fund to pay principal and interest on the 2005 Bonds
Part II Line 3 Column C	Total Proceeds of Issue	The amount in Line 3 does not equal the amount in Part I, Row C, Col E because of unrealized investment losses on reserves
Part II Line 16 Column C	Final Allocation of Proceeds	The final allocation of proceeds to wholly owned subsidiaries of CRC has not been made as of January 31, 2013
Part III, Line 9 & Part IV Line 7	Written Procedures	CRC does not have established written procedures but is in the process of developing documentation
Part IV, Line 2a, Column C	Rebate	A rebate calculation has not been completed as it is not due
Part V	Procedures to Undertake Corrective Action	CRC does not have a established written procedures regarding corrective action, but CRC has adequate practices in place to prevent a need for corrective action CRC is working on developing written procedures

Schedule L (Form 990 or 990-EZ)

Transactions with Interested Persons

OMB No 1545-0047

2012

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, line 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 4 main columns: (a) Name of disqualified person, (b) Relationship between disqualified person and organization, (c) Description of transaction, (d) Corrected? (Yes/No)

2 Enter the amount of tax incurred by 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-EZ, Part V, line 38a, or Form 990, Part IV, line 26, or if the organization reported an amount on Form 990, Part X, line 5, 6, or 22

Table with 9 main columns: (a) Name of interested person, (b) Relationship with organization, (c) Purpose of loan, (d) Loan to or from the organization (To/From), (e) Original principal amount, (f) Balance due, (g) In default? (Yes/No), (h) Approved by board or committee? (Yes/No), (i) Written agreement? (Yes/No)

Part III Grants or Assistance Benefitting Interested Persons.

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

Table with 5 main columns: (a) Name of interested person, (b) Relationship between interested person and the organization, (c) Amount of assistance, (d) Type of assistance, (e) Purpose 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	161,188	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 Family member of David Erickson (Vice President & Assistant Secretary) c) Amount of Transaction \$161,188 d) Description of Transaction Partner in a law firm that provides legal counsel to the organization

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

2012

**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

Identifier	Return Reference	Explanation
Related Organizations	Form 990 - Part VII - Section A Column B	Officers and Directors devote approximately 1 hour per week to related organizations except for those individuals that are employees of these related organizations, those individuals devote approximately 40 hours to the organizations at which they are employed

Identifier	Return Reference	Explanation
Changes in Net Assets or Fund Balances	Form 990, Part XI, line 9	Change in Temporarily Restricted Net Assets not included on Income Stmtnt 33,876 Change in Permanently Restricted Net Assets not included on Income Stmtnt 450,042

**SCHEDULE R
(Form 990)**

Related Organizations and Unrelated Partnerships

OMB No 1545-0047

2012

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" to Form 990, Part IV, line 33.)

(a) Name, address, and EIN (if applicable) 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	3,128,025	26,654,037	N/A

Part II Identification of Related Tax-Exempt Organizations (Complete if the organization answered "Yes" to 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 entity?	
						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" to 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	
(1) 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	
(2) Covenant Village of Portland LP 420 NE Mason St Portland, OR 97211 36-4356838	Assisted Living Community	OR	N/A	N/A				No			No	
(3) 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" to 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	(i) Section 512 (b)(13) controlled entity?	
								Yes	No
(1) Covenant International Insurance Company Ltd Crawford House 50 Cedar Avenue Hamilton BD	Insurance	BD	N/A				50 000 %		No
(2) Covenant Trust Company 5215 Old Orchard Road Suite 725 Skokie, IL 60077 36-3583163	Financial Services	IL	N/A	C					No
(3) Swedish Covenant Management Services Inc (SCMS) 5145 North California Avenue Chicago, IL 60625 36-4073303	Physician Practice Management	IL	N/A	C					No
(4) Swedish Covenant Managed Care Alliance (SCMCA) 2740 West Foster Avenue Suite 409 Chicago, IL 60625 36-4118659	Physician - Hospital Organization	IL	N/A	C					No

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

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

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 or **(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** Dividends from related organization(s)
- g** Sale of assets to related organization(s)
- h** Purchase of assets from related organization(s)
- i** Exchange of assets with related organization(s)
- j** Lease of facilities, equipment, or other assets to related organization(s)

- k** Lease of facilities, equipment, or other assets from related organization(s)
- l** Performance of services or membership or fundraising solicitations for related organization(s)
- m** Performance of services or membership or fundraising solicitations by related organization(s)
- n** Sharing of facilities, equipment, mailing lists, or other assets with related organization(s)
- o** Sharing of paid employees with related organization(s)

- p** Reimbursement paid to related organization(s) for expenses
- q** Reimbursement paid by related organization(s) for expenses

- r** Other transfer of cash or property to related organization(s)
- s** Other transfer of cash or property from related organization(s)

	Yes	No
1a	Yes	
1b	Yes	
1c		No
1d		No
1e		No
1f		No
1g		No
1h		No
1i		No
1j		No
1k		No
1l	Yes	
1m	Yes	
1n		No
1o	Yes	
1p	Yes	
1q	Yes	
1r		No
1s	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-s)	(c) Amount involved	(d) Method of determining amount involved
See Additional Data Table			

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

Part VII Supplemental Information

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

Identifier	Return Reference	Explanation	
--> Form 990, Schedule R, Part V - Transactions With Related Organizations			
(a) Name of other organization	(b) Transaction type(a-s)	(c) Amount Involved	(d) Method of determining amount involved
Colonial Acres Home Inc	P	2,087,586	
Colonial Acres Home Inc	Q	528,413	
Colonial Acres Home Inc	B	637,208	
Bethany Covenant Home	P	66,783	
Bethany Covenant Home	Q	107,732	
Covenant Village of Florida	P	4,707,119	
Covenant Village of Florida	Q	448,275	
Covenant Village of Florida	B	300,000	
Windsor Park	P	4,799,683	
Windsor Park	Q	1,227,583	
Covenant Home Illinois	P	3,527,937	
Covenant Home Illinois	Q	11,421	
The Holmstad	P	5,457,244	
The Holmstad	Q	324,927	
Covenant Healthcare Centers	P	2,806,846	
Covenant Healthcare Centers	A	458,726	
Covenant Home of Chicago	Q	287,426	
Covenant Home of Chicago	Q	160,868	
Covenanat Home Inc	P	1,265,928	
Covenanat Home Inc	Q	369,722	
Covenanat Home Inc	B	300,000	
Covenant Retirement Communities West	P	1,372,772	
Covenant Retirement Communities West	Q	3,508,465	
Covenant Retirement Communities of the Great Lakes Conference	Q	258,833	
Covenant Retirement Communities of the Great Lakes Conference	Q	175,345	

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

(a) Name of other organization	(b) Transaction type(a-s)	(c) Amount Involved	(d) Method of determining amount involved
Covenant Retirement Services	P	758,565	
Covenant Retirement Services	Q	263,707	
Covenant Retirement Services	A	60,000	
Covenant Housing Corporation	P	53,194	
Covenant Home Services	O	2,142,897	
Covenant Home Services	Q	743,732	
Covenant Ministries of Benevolence	M	2,073,060	
Covenant Ministries of Benevolence	L	80,885	
Covenant Ministries of Benevolence	Q	98,269	
Covenant Ministries of Benevolence	P	2,503,328	
Covenant Ministries of Benevolence	S	15,080,986	

TY 2012 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 2012 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	109,273	57,526
		Accounts Receivable/Prepaid Expenses	63,993	43,913
		Deferred Reinsurance Premiums	149,413	141,449
		Claims Escrow Account	10,500	3,500

TY 2012 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		868,820
General & Administrative Expense		402,994

TY 2012 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	2,869,519	3,126,608
		Fixed Income Funds	10,618,928	11,817,335
		Unquoted Investments	109,403	123,069

TY 2012 Itemized Other Liabilities Schedule

Name: Covenant Retirement Communities Inc

EIN: 36-3478388

Corporation Name	Corporation EIN	Other Liabilities Description	Beginning Amount	Ending Amount
Covenant International Insurance Company		Reserve for Losses/Loss Expense	5,509,432	4,966,385
		Unearned Premium	380,173	475,382

TY 2012 Other Income Statement**Name:** Covenant Retirement Communities Inc**EIN:** 36-3478388

Description	Foreign Amount	Amount
Interest and Dividend Income		272,971
Gain/Loss on Sale of Investments		162,968
Amortization		-49,419
Investment Management Fees		-91,799
Unrealized Investment Income		472,537