



Form **990-PF**

Department of the Treasury
Internal Revenue Service

Return of Private Foundation

or Section 4947(a)(1) Trust Treated as Private Foundation
▶ Do not enter social security numbers on this form as it may be made public.
▶ Go to www.irs.gov/Form990PF for instructions and the latest information

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OMB No 1545-0052

2017

Open to Public Inspection

For calendar year 2017 or tax year beginning , 2017, and ending , 20

Name of foundation

COVENANT FOUNDATION, INC.

A Employer identification number

31-1225037

Number and street (or P O box number if mail is not delivered to street address)

Room/suite

B Telephone number (see instructions)

3777 WEST FORK RD.

513-661-3100

City or town, state or province, country, and ZIP or foreign postal code

CINCINNATI, OH 45247

G Check all that apply.

Initial return

Initial return of a former public charity

Final return

Amended return

Address change

Name change

H Check type of organization:

☒ Section 501(c)(3) exempt private foundation

☐ Section 4947(a)(1) nonexempt charitable trust

☐ Other taxable private foundation

I Fair market value of all assets at

end of year (from Part II, col. (c), line

16) ▶ \$ 87,131,205.

J Accounting method ☒ Cash ☐ Accrual

☐ Other (specify)

(Part I, column (d) must be on cash basis)

C If exemption application is pending, check here ☐

D 1 Foreign organizations, check here ☐

2 Foreign organizations meeting the 85% test, check here and attach computation ☐

E If private foundation status was terminated under section 507(b)(1)(A), check here ☐

F If the foundation is in a 60 month termination under section 507(b)(1)(B), check here ☐

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

	(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
1 Contributions, gifts, grants, etc., received (attach schedule)	381,909.			
2 Check <input type="checkbox"/> if the foundation is not required to attach Sch. B.				
3 Interest on savings and temporary cash investments.				
4 Dividends and interest from securities	2,734,202.	2,734,202.		STMT 1
5a Gross rents				
b Net rental income or (loss)				
6a Net gain or (loss) from sale of assets not on line 10	3,270,296.			
b Gross sales price for all assets on line 6a	7,452,101.			
7 Capital gain net income (from Part IV, line 2)		3,270,296.		
8 Net short-term capital gain.				
9 Income modifications				
10a Gross sales less returns and allowances				
b Less Cost of goods sold				
c Gross profit or (loss) (attach schedule)				
11 Other income (attach schedule)				
12 Total Add lines 1 through 11	6,386,407.	6,004,498.		
13 Compensation of officers, directors, trustees, etc				
14 Other employee salaries and wages		NONE	NONE	
15 Pension plans, employee benefits		NONE	NONE	
16a Legal fees (attach schedule)				
b Accounting fees (attach schedule) STMT 2	900.	450.	NONE	450.
c Other professional fees (attach schedule) STMT 3	714.	714.		
17 Interest				
18 Taxes (attach schedule) (see instructions) STMT 4	137,240.			225.
19 Depreciation (attach schedule) and depletion				
20 Occupancy				
21 Travel, conferences, and meetings		NONE	NONE	
22 Printing and publications		NONE	NONE	
23 Other expenses (attach schedule) STMT 5	2,181.	800.		
24 Total operating and administrative expenses. Add lines 13 through 23.	141,035.	1,964.	NONE	675.
25 Contributions, gifts, grants paid	1,618,795.			1,618,795.
26 Total expenses and disbursements Add lines 24 and 25	1,759,830.	1,964.	NONE	1,619,470.
27 Subtract line 26 from line 12.				
a Excess of revenue over expenses and disbursements	4,626,577.			
b Net investment income (if negative, enter -0-)		6,002,534.		
c Adjusted net income (if negative, enter -0-)				

Part II Balance Sheets		Attached schedules and amounts in the description column should be for end-of-year amounts only (See instructions)	Beginning of year	End of year	
			(a) Book Value	(b) Book Value	(c) Fair Market Value
Assets	1	Cash - non-interest-bearing			
	2	Savings and temporary cash investments	1,276,650.	4,113,051.	4,113,051.
	3	Accounts receivable ▶ Less: allowance for doubtful accounts ▶			
	4	Pledges receivable ▶ Less: allowance for doubtful accounts ▶			
	5	Grants receivable			
	6	Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see instructions)			
	7	Other notes and loans receivable (attach schedule) ▶ Less: allowance for doubtful accounts ▶	238,541.		STMT 6
	8	Inventories for sale or use			
	9	Prepaid expenses and deferred charges			
	10a	Investments - U S and state government obligations (attach schedule)	863,384.	939,998.	937,366.
	b	Investments - corporate stock (attach schedule)	57,787,326.	59,201,839.	73,757,118.
	c	Investments - corporate bonds (attach schedule)	5,697,330.	6,203,963.	6,210,369.
	11	Investments - land, buildings, and equipment basis Less: accumulated depreciation (attach schedule) ▶			
	12	Investments - mortgage loans			
	13	Investments - other (attach schedule)	2,073,770.	2,115,407.	2,113,301.
	14	Land, buildings, and equipment basis Less: accumulated depreciation (attach schedule) ▶			
15	Other assets (describe ▶)				
16	Total assets (to be completed by all filers - see the instructions Also, see page 1, item I)	67,937,001.	72,574,258.	87,131,205.	
Liabilities	17	Accounts payable and accrued expenses			
	18	Grants payable			
	19	Deferred revenue			
	20	Loans from officers, directors, trustees, and other disqualified persons . .			
	21	Mortgages and other notes payable (attach schedule)			
	22	Other liabilities (describe ▶)			
23	Total liabilities (add lines 17 through 22)			NONE	
Net Assets or Fund Balances	Foundations that follow SFAS 117, check here <input type="checkbox"/>				
	and complete lines 24 through 26, and lines 30 and 31				
	24	Unrestricted			
	25	Temporarily restricted			
	26	Permanently restricted			
	Foundations that do not follow SFAS 117, check here <input checked="" type="checkbox"/>				
	and complete lines 27 through 31.				
	27	Capital stock, trust principal, or current funds	67,937,001.	72,574,258.	
	28	Paid-in or capital surplus, or land, bldg, and equipment fund			
	29	Retained earnings, accumulated income, endowment, or other funds . .			
30	Total net assets or fund balances (see instructions)	67,937,001.	72,574,258.		
31	Total liabilities and net assets/fund balances (see instructions)	67,937,001.	72,574,258.		

Part III Analysis of Changes in Net Assets or Fund Balances

1	Total net assets or fund balances at beginning of year - Part II, column (a), line 30 (must agree with end-of-year figure reported on prior year's return)	1	67,937,001.
2	Enter amount from Part I, line 27a	2	4,626,577.
3	Other increases not included in line 2 (itemize) ▶ TIMING DIFFERENCES, RDG & BALANCING ADJ	3	10,680.
4	Add lines 1, 2, and 3	4	72,574,258.
5	Decreases not included in line 2 (itemize) ▶	5	
6	Total net assets or fund balances at end of year (line 4 minus line 5) - Part II, column (b), line 30	6	72,574,258.

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Part IV Capital Gains and Losses for Tax on Investment Income

(a) List and describe the kind(s) of property sold (for example, real estate, 2-story brick warehouse; or common stock, 200 shs. MLC Co.)		(b) How acquired P - Purchase D - Donation	(c) Date acquired (mo., day, yr.)	(d) Date sold (mo., day, yr.)
1 a PUBLICLY TRADED SECURITIES				
b				
c				
d				
e				
(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) ((e) plus (f) minus (g))	
a 7,486,344.		4,216,048.	3,270,296.	
b				
c				
d				
e				
Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(i) Gains (Col. (h) gain minus col. (k), but not less than -0-) or Losses (from col. (h))	
(i) FMV as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col. (i) over col. (j), if any		
a			3,270,296.	
b				
c				
d				
e				
2 Capital gain net income or (net capital loss)		{ If gain, also enter in Part I, line 7 If (loss), enter -0- in Part I, line 7 }	2	3,270,296.
3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6). If gain, also enter in Part I, line 8, column (c). See instructions. If (loss), enter -0- in Part I, line 8		{ }	3	

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

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

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

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

☐ Yes ☒ No

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

1 Enter the appropriate amount in each column for each year; see the instructions before making any entries.			
(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (col. (b) divided by col. (c))
2016	2,014,094.	69,694,693.	0.028899
2015	6,472,616.	69,596,668.	0.093002
2014	2,015,487.	73,752,597.	0.027328
2013	1,127,230.	45,318,446.	0.024874
2012	861,057.	18,271,014.	0.047127
2 Total of line 1, column (d)			2 0.221230
3 Average distribution ratio for the 5-year base period - divide the total on line 2 by 5.0, or by the number of years the foundation has been in existence if less than 5 years			3 0.044246
4 Enter the net value of noncharitable-use assets for 2017 from Part X, line 5			4 79,991,100.
5 Multiply line 4 by line 3.			5 3,539,286.
6 Enter 1% of net investment income (1% of Part I, line 27b)			6 60,025.
7 Add lines 5 and 6			7 3,599,311.
8 Enter qualifying distributions from Part XII, line 4 If line 8 is equal to or greater than line 7, check the box in Part VI, line 1b, and complete that part using a 1% tax rate. See the Part VI instructions.			8 1,619,470.

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

1a Exempt operating foundations described in section 4940(d)(2), check here <input type="checkbox"/> and enter "N/A" on line 1			
Date of ruling or determination letter _____ (attach copy of letter if necessary - see instructions)			
b Domestic foundations that meet the section 4940(e) requirements in Part V, check here <input type="checkbox"/> and enter 1% of Part I, line 27b		1	120,051.
c All other domestic foundations enter 2% of line 27b. Exempt foreign organizations enter 4% of Part I, line 12, col. (b)			
2 Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only; others, enter -0-)		2	NONE
3 Add lines 1 and 2		3	120,051.
4 Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only; others, enter -0-)		4	NONE
5 Tax based on investment income. Subtract line 4 from line 3. If zero or less, enter -0-		5	120,051.
6 Credits/Payments.			
a 2017 estimated tax payments and 2016 overpayment credited to 2017	6a		81,608.
b Exempt foreign organizations - tax withheld at source	6b		NONE
c Tax paid with application for extension of time to file (Form 8868)	6c		NONE
d Backup withholding erroneously withheld	6d		
7 Total credits and payments. Add lines 6a through 6d		7	81,608.
8 Enter any penalty for underpayment of estimated tax. Check here <input type="checkbox"/> if Form 2220 is attached		8	
9 Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed		9	38,443.
10 Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid		10	
11 Enter the amount of line 10 to be credited to 2018 estimated tax <input type="checkbox"/> NONE Refunded <input type="checkbox"/>		11	

Part VII-A Statements Regarding Activities

	Yes	No
1a During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?		X
b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes? See the instructions for the definition If the answer is "Yes" to 1a or 1b, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities.		X
c Did the foundation file Form 1120-POL for this year?		X
d Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year. (1) On the foundation <input type="checkbox"/> \$ _____ (2) On foundation managers <input type="checkbox"/> \$ _____		
e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers. <input type="checkbox"/> \$ _____		
2 Has the foundation engaged in any activities that have not previously been reported to the IRS? If "Yes," attach a detailed description of the activities.		X
3 Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? If "Yes," attach a conformed copy of the changes		X
4a Did the foundation have unrelated business gross income of \$1,000 or more during the year?		X
b If "Yes," has it filed a tax return on Form 990-T for this year?		
5 Was there a liquidation, termination, dissolution, or substantial contraction during the year? If "Yes," attach the statement required by General Instruction T.		X
6 Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either: • By language in the governing instrument, or • By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?	X	
7 Did the foundation have at least \$5,000 in assets at any time during the year? If "Yes," complete Part II, col. (c), and Part XV	X	
8a Enter the states to which the foundation reports or with which it is registered. See instructions <input type="checkbox"/> OH		
b If the answer is "Yes" to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by General Instruction G? If "No," attach explanation	X	
9 Is the foundation claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 2017 or the tax year beginning in 2017? See the instructions for Part XIV. If "Yes," complete Part XIV		X
10 Did any persons become substantial contributors during the tax year? If "Yes," attach a schedule listing their names and addresses	X	

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		Yes	No
11	At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," attach schedule See instructions		X
12	Did the foundation make a distribution to a donor advised fund over which the foundation or a disqualified person had advisory privileges? If "Yes," attach statement. See instructions		X
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application? Website address ▶ <u>N/A</u>	X	
14 The books are in care of ▶ <u>SEE STATEMENT 11</u> Telephone no. ▶ _____			
Located at ▶ _____ ZIP+4 ▶ _____			
15	Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041 - check here and enter the amount of tax-exempt interest received or accrued during the year. ▶ <u>15</u>		
16	At any time during calendar year 2017, did the foundation have an interest in or a signature or other authority over a bank, securities, or other financial account in a foreign country? See the instructions for exceptions and filing requirements for FinCEN Form 114. If "Yes," enter the name of the foreign country ▶ _____	Yes	No
			X

File Form 4720 if any item is checked in the "Yes" column, unless an exception applies.		Yes	No
1a During the year, did the foundation (either directly or indirectly).			
(1) Engage in the sale or exchange, or leasing of property with a disqualified person?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(6) Agree to pay money or property to a government official? (Exception Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days.)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
b If any answer is "Yes" to 1a(1)-(6), did any of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance? See instructions			
Organizations relying on a current notice regarding disaster assistance, check here	<input type="checkbox"/>	1b	
c Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2017?			
		1c	X
2 Taxes on failure to distribute income (section 4942) (does not apply for years the foundation was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5))			
a At the end of tax year 2017, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2017?			
If "Yes," list the years	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
b Are there any years listed in 2a for which the foundation is not applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to all years listed, answer "No" and attach statement - see instructions.)			
		2b	X
c If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here.			
3a Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year?			
	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
b If "Yes," did it have excess business holdings in 2017 as a result of (1) any purchase by the foundation or disqualified persons after May 26, 1969, (2) the lapse of the 5-year period (or longer period approved by the Commissioner under section 4943(c)(7)) to dispose of holdings acquired by gift or bequest, or (3) the lapse of the 10-, 15-, or 20-year first phase holding period? (Use Schedule C, Form 4720, to determine if the foundation had excess business holdings in 2017)			
		3b	
4a Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?			
		4a	X
b Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2017?			
		4b	X

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

5a During the year, did the foundation pay or incur any amount to

- (1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))? ☐ Yes ☒ No
- (2) Influence the outcome of any specific public election (see section 4955), or to carry on, directly or indirectly, any voter registration drive? ☐ Yes ☒ No
- (3) Provide a grant to an individual for travel, study, or other similar purposes? ☐ Yes ☒ No
- (4) Provide a grant to an organization other than a charitable, etc., organization described in section 4945(d)(4)(A)? See instructions ☐ Yes ☒ No
- (5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals? ☐ Yes ☒ No

b If any answer is "Yes" to 5a(1)-(5), did any of the transactions fail to qualify under the exceptions described in Regulations section 53.4945 or in a current notice regarding disaster assistance? See instructions

Organizations relying on a current notice regarding disaster assistance, check here ☐c If the answer is "Yes" to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant? ☐ Yes ☐ No

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

6a Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? ☐ Yes ☒ Nob Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract? ☐ Yes ☐ No
If "Yes" to 6b, file Form 8870.7a At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction? ☐ Yes ☒ Nob If "Yes," did the foundation receive any proceeds or have any net income attributable to the transaction? ☐ Yes ☐ No**Part VIII Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors**

1 List all officers, directors, trustees, foundation managers and their compensation. See instructions.

(a) Name and address	(b) Title, and average hours per week devoted to position	(c) Compensation (If not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
TIMOTHY E. JOHNSON	DIRECTOR			
3777 WEST FORK RD., CINCINNATI, OH 45247	1	-0-	-0-	-0-
JANET L. JOHNSON	DIRECTOR			
3777 WEST FORK RD., CINCINNATI, OH 45247	1	-0-	-0-	-0-
TIMOTHY C. GEHNER	DIRECTOR			
3777 WEST FORK RD., CINCINNATI, OH 45247	1	-0-	-0-	-0-
SUSAN R. PAGLIARO	DIRECTOR			
3777 WEST FORK RD., CINCINNATI, OH 45247	1	-0-	-0-	-0-

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

(a) Name and address of each employee paid more than \$50,000	(b) Title, and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
N/A		-0-	-0-	-0-

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

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3 Five highest-paid independent contractors for professional services. See instructions. If none, enter "NONE."

Part IX-A Summary of Direct Charitable Activities

Expenses

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

Amount

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

1	Fair market value of assets not used (or held for use) directly in carrying out charitable, etc., purposes:		
a	Average monthly fair market value of securities	1a	80,105,139.
b	Average of monthly cash balances	1b	1,103,698.
c	Fair market value of all other assets (see instructions).	1c	402.
d	Total (add lines 1a, b, and c)	1d	81,209,239.
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation) 1e		
2	Acquisition indebtedness applicable to line 1 assets	2	NONE
3	Subtract line 2 from line 1d	3	81,209,239.
4	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions).	4	1,218,139.
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	79,991,100.
6	Minimum investment return. Enter 5% of line 5	6	3,999,555.

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

1	Minimum investment return from Part X, line 6	1	3,999,555.
2a	Tax on investment income for 2017 from Part VI, line 5 2a	120,051.	
b	Income tax for 2017. (This does not include the tax from Part VI.) 2b		
c	Add lines 2a and 2b	2c	120,051.
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	3,879,504.
4	Recoveries of amounts treated as qualifying distributions	4	NONE
5	Add lines 3 and 4	5	3,879,504.
6	Deduction from distributable amount (see instructions).	6	NONE
7	Distributable amount as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1.	7	3,879,504.

Part XII Qualifying Distributions (see instructions)

1	Amounts paid (including administrative expenses) to accomplish charitable, etc., purposes:		
a	Expenses, contributions, gifts, etc. - total from Part I, column (d), line 26	1a	1,619,470.
b	Program-related investments - total from Part IX-B	1b	
2	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes	2	NONE
3	Amounts set aside for specific charitable projects that satisfy the:		
a	Suitability test (prior IRS approval required)	3a	NONE
b	Cash distribution test (attach the required schedule)	3b	NONE
4	Qualifying distributions. Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	4	1,619,470.
5	Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income. Enter 1% of Part I, line 27b. See instructions	5	N/A
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6	1,619,470.

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

Part XIII Undistributed Income (see instructions)

	(a) Corpus	(b) Years prior to 2016	(c) 2016	(d) 2017
1 Distributable amount for 2017 from Part XI, line 7				3,879,504.
2 Undistributed income, if any, as of the end of 2017.				
a Enter amount for 2016 only.			1,595,584.	
b Total for prior years 20____, 20____, 20____		NONE		
3 Excess distributions carryover, if any, to 2017.				
a From 2012	NONE			
b From 2013	NONE			
c From 2014	NONE			
d From 2015	NONE			
e From 2016	NONE			
f Total of lines 3a through e	NONE			
4 Qualifying distributions for 2017 from Part XII, line 4: ► \$ 1,619,470.				
a Applied to 2016, but not more than line 2a			1,595,584.	
b Applied to undistributed income of prior years (Election required - see instructions)		NONE		
c Treated as distributions out of corpus (Election required - see instructions)	NONE			
d Applied to 2017 distributable amount.				23,886.
e Remaining amount distributed out of corpus. . .	NONE			
5 Excess distributions carryover applied to 2017 (If an amount appears in column (d), the same amount must be shown in column (a))	NONE			NONE
6 Enter the net total of each column as indicated below:				
a Corpus. Add lines 3f, 4c, and 4e Subtract line 5	NONE			
b Prior years' undistributed income Subtract line 4b from line 2b.		NONE		
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed		NONE		
d Subtract line 6c from line 6b. Taxable amount - see instructions		NONE		
e Undistributed income for 2016 Subtract line 4a from line 2a. Taxable amount - see instructions				
f Undistributed income for 2017. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2018.				3,855,618.
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (Election may be required - see instructions)	NONE			
8 Excess distributions carryover from 2012 not applied on line 5 or line 7 (see instructions) . . .	NONE			
9 Excess distributions carryover to 2018. Subtract lines 7 and 8 from line 6a	NONE			
10 Analysis of line 9				
a Excess from 2013 . . .	NONE			
b Excess from 2014 . . .	NONE			
c Excess from 2015 . . .	NONE			
d Excess from 2016 . . .	NONE			
e Excess from 2017 . . .	NONE			

NOT APPLICABLE

--	--

4942(1)(5)

[illegible]

(4) Gross investment income .

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

<div>Recipient</div> <div>Name and address (home or business)</div>	<div>If recipient is an individual, show any relationship to any foundation manager or substantial contributor</div>	<div>Foundation status of recipient</div>	<div>Purpose of grant or contribution</div>	<div>Amount</div>
a Paid during the year SEE ATTACHED LIST				1,618,795.
Total			3a	1,618,795.
b Approved for future payment				
Total			3b	

Schedule B(Form 990, 990-EZ,
or 990-PF)
Department of the Treasury
Internal Revenue Service**Schedule of Contributors**

OMB No 1545-0047

2017▶ Attach to Form 990, Form 990-EZ, or Form 990-PF.
▶ Go to www.irs.gov/Form990 for the latest information.

Name of the organization

Employer identification number

COVENANT FOUNDATION, INC.

31-1225037

Organization type (check one).

Filers of:

Section:

Form 990 or 990-EZ

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

Form 990-PF

☒ 501(c)(3) exempt private foundation☐ 4947(a)(1) nonexempt charitable trust treated as a private foundation☐ 501(c)(3) taxable private foundationCheck if your organization is covered by the **General Rule** or a **Special Rule**.**Note:** Only a section 501(c)(7), (8), or (10) organization can check boxes for both the General Rule and a Special Rule. See instructions.**General Rule**

- ☒
- For an organization filing Form 990, 990-EZ, or 990-PF that received, during the year, contributions totaling \$5,000 or more (in money or property) from any one contributor. Complete Parts I and II. See instructions for determining a contributor's total contributions.

Special Rules

- ☐ For an organization described in section 501(c)(3) filing Form 990 or 990-EZ that met the 33 1/3 % support test of the regulations under sections 509(a)(1) and 170(b)(1)(A)(vi), that checked Schedule A (Form 990 or 990-EZ), Part II, line 13, 16a, or 16b, and that received from any one contributor, during the year, total contributions of the greater of (1) \$5,000, or (2) 2% of the amount on (i) Form 990, Part VIII, line 1h, or (ii) Form 990-EZ, line 1. Complete Parts I and II
- ☐ For an organization described in section 501(c)(7), (8), or (10) filing Form 990 or 990-EZ that received from any one contributor, during the year, total contributions of more than \$1,000 *exclusively* for religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals. Complete Parts I, II, and III.
- ☐ For an organization described in section 501(c)(7), (8), or (10) filing Form 990 or 990-EZ that received from any one contributor, during the year, contributions *exclusively* for religious, charitable, etc., purposes, but no such contributions totaled more than \$1,000. If this box is checked, enter here the total contributions that were received during the year for an *exclusively* religious, charitable, etc., purpose. Don't complete any of the parts unless the **General Rule** applies to this organization because it received *nonexclusively* religious, charitable, etc., contributions totaling \$5,000 or more during the year ▶ \$ _____

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

For Paperwork Reduction Act Notice, see the instructions for Form 990, 990-EZ, or 990-PF

Schedule B (Form 990, 990-EZ, or 990-PF) (2017)

JSA

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21 -

Name of organization COVENANT FOUNDATION, INC.	Employer identification number 31-1225037
--	---

Part I **Contributors** (see instructions). Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
1	TIMOTHY E JOHNSON 3777 WEST FORK RD CINCINNATI, OH 45247	\$ 381,909.	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input checked="" type="checkbox"/> (Complete Part II for noncash contributions.)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)

Name of organization

Employer identification number

COVENANT FOUNDATION, INC.

31-1225037

Part II **Noncash Property** (see instructions). Use duplicate copies of Part II if additional space is needed.

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (See instructions.)	(d) Date received
1	3,000 shs Norwegian Cruise Line Holdings 20,000 shs Carbo Ceramics Inc 1,500 shs Royal Caribbean Cruises LTD	\$ 539,635.	12/15/2017
(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (See instructions.)	(d) Date received
		\$	
(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (See instructions.)	(d) Date received
		\$	
(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (See instructions.)	(d) Date received
		\$	
(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (See instructions.)	(d) Date received
		\$	
(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (See instructions.)	(d) Date received
		\$	

Statement 8, Form 990-PF,
Part XV, Line 3A

GRANTS Paid in 2017

Name and Address	Relationship	Status	Grant/Contribution	Amount
Alliance Defending Freedom 15100 N 90th Street Scottsdale, AZ 85260	None	N/A	Operating Fund	\$ 10,000
Back2Back Ministries P.O. Box 70 Mason, OH 45040	None	N/A	Operating Fund	\$ 153,500
Barnabas Aid 6731 Curran Street McLean, VA 22101	None	N/A	Operating Fund	\$ 5,000
BLOC Ministries, Inc 3952 North Bend Road Cincinnati, OH 45211	None	N/A	Operating Fund	\$ 20,000
Campus Crusade for Christ P O Box 628222 Orlando, FL 32862-9841	None	N/A	Operating Fund	\$ 18,100
Christian Community Development Association 3827 W. Ogden Avenue Chicago, IL 60623	None	N/A	Operating Fund	\$ 25,000
Christ's Community in College Hill 5819 Salvia Avenue Cincinnati, Ohio 45224	None	N/A	Operating Fund	\$ 5,000
Church of the Resurrection 935 West Union Avenue Wheaton, IL 60187	None	N/A	Operating Fund	\$ 6,000
Cincinnati Children's Hospital Medical Center 3333 Burnet Avenue / MLC 9002 Cincinnati, OH 45229-3026	None	N/A	Operating Fund	\$ 66,000
Cincinnati Christian University 2700 Glenway Avenue Cincinnati, OH 45204	None	N/A	Operating Fund	\$ 4,500
Cincinnati Hills Christian Academy 11525 Snider Road Cincinnati, Ohio 45249	None	N/A	Operating Fund	\$ 105,000
CityLink Center 800 Bank St, Cincinnati, Ohio 45214	None	N/A	Operating Fund	\$ 5,000
City Gospel Mission 1805 Dalton Avenue Cincinnati, OH 45214	None	N/A	Operating Fund	\$ 25,000
Coalition for Christian Outreach 5912 Penn Avenue Pittsburgh, PA 15206-3805	None	N/A	Operating Fund	\$ 4,000
College Hill Presbyterian Church 5742 Hamilton Avenue Cincinnati, Ohio 45224	None	N/A	Operating Fund	\$ 51,000
Commission to Every Nation P.O. Box 291307 Kerrville, TX 78029-1307	None	N/A	Operating Fund	\$ 11,000
Compassion International 12290 Voyager Parkway Colorado Springs, CO 80921	None	N/A	Operating Fund	\$ 5,500
Covenant Youth of Alaska P O Box 372 Unalakleet, AK 99684	None	N/A	Operating Fund	\$ 5,000

GRANTS Paid in 2017

Name and Address	Relationship	Status	Grant/Contribution	Amount
Crossroads Health Center 5 East Liberty Street Cincinnati, Ohio 45202	None	N/A	Operating Fund	\$ 5,000
Elizabeth New Life Center 2201 N. Main Street Dayton, Ohio 45405	None	N/A	Operating Fund	\$ 3,000
Evangelical Covenant Church 8303 West Higgins Road Chicago, IL 60631	None	N/A	Operating Fund	\$ 100,245
Faith and Learning International P.O. Box 480 Wheaton, IL 60187	None	N/A	Operating Fund	\$ 4,000
Feast Of Love Ministries 5742 Hamilton Avenue Cincinnati, Ohio 45224	None	N/A	Operating Fund	\$ 7,500
FOCAS P. O. Box 428760 Cincinnati, OH 45242-8760	None	N/A	Operating Fund	\$ 60,000
Forty Day Prayer Covenant Inc. 7094 Willowood Drive Cincinnati, OH 45241-1063	None	N/A	Operating Fund	\$ 20,000
Foundation for HIS Ministry P.O. Box 74000 San Clemente, Calif. 92673	None	N/A	Operating Fund	\$ 12,000
Free Wheelchair Mission 15279 Alton Parkway Irvine, CA 92618	None	N/A	Operating Fund	\$ 1,200
Frontiers P.O. Box 60730 Phoenix, AZ 85082-0730	None	N/A	Operating Fund	\$ 7,000
Fuller Theological Seminary 135 N. Oakland Avenue Pasadena, CA 91182	None	N/A	Operating Fund	\$ 3,500
Gordon Conwell Theological Seminary 130 Essex Street South Hamilton, MA 01982	None	N/A	Operating Fund	\$ 100,000
Healthy Beginnings 47 E. Hollister Cincinnati, OH 45219	None	N/A	Operating Fund	\$ 5,000
InterVarsity Christian Fellowship 6400 Shroeder Road Madison, WI 53791-9703	None	N/A	Operating Fund	\$ 15,000
JesusOnline Ministries P.O. Box 1643 Higley, AZ 85236	None	N/A	Operating Fund	\$ 5,000
Kingdom Advisors 280 Interstate North Circle SE Suite 100 Atlanta, GA 30339	None	N/A	Operating Fund	\$ 5,000
Leadership Transformations P. O. Box 338 Lexington, MA 02420	None	N/A	Operating Fund	\$ 5,000
Life Forward 2415 Auburn Avenue Cincinnati, OH 45219-2611	None	N/A	Operating Fund	\$ 20,000
Matthew 25 Ministries 11060 Kenwood Road Cincinnati, Ohio 45242-1816	None	N/A	Operating Fund	\$ 5,000

GRANTS Paid In 2017

Name and Address	Relationship	Status	Grant/Contribution	Amount
Lighthouse Christian School 3008 36th Street N.W. Gig Harbor, Wash. 98335	None	N/A	Operating Fund	\$ 7,500
Mission Aviation Fellowship P. O. Box 47 Nampa, ID 83653	None	N/A	Operating Fund	\$ 5,000
Montana de Luz PO. Box 140 Worthington, OH 43085	None	N/A	Operating Fund	\$ 7,600
Move Cincy P. O. Box 19920 Cincinnati, Ohio 45219	None	N/A	Operating Fund	\$ 5,000
New Hope Center 228 Thomas More Parkway Crestview Hills, Kty. 41017	None	N/A	Operating Fund	\$ 2,500
OneHope 600 SW 3rd Street Pompano Beach, FI 33060	None	N/A	Operating Fund	\$ 25,000
Partners for Hope P.O. Box 24246 Cincinnati, OH 45224	None	N/A	Operating Fund	\$ 7,500
Pilgrim Pines 220 West Shore Road Swansey, NH 03446	None	N/A	Operating Fund	\$ 5,000
PureHope 5742 Hamilton Avenue Cincinnati, Ohio 45224	None	N/A	Operating Fund	\$ 30,000
Restavek Freedom Foundation 11160 Kenwood Road, Suite 200 Cincinnati, OH 45242	None	N/A	Operating Fund	\$ 20,000
Shoulder to Shoulder 3445 S. Dixie Dr. #200 Dayton, OH 45439	None	N/A	Operating Fund	\$ 20,000
SonLight Power, Inc. 7100 Dixie Highway Fairfield, OH 45215	None	N/A	Operating Fund	\$ 50,000
Sonnet House 975 Grant Street SE Atlanta, GA 30315	None	N/A	Operating Fund	\$ 30,000
Spark Ventures 134 North LaSalle Street, 5th Floor Chicago, IL 60602	None	N/A	Operating Fund	\$ 65,000
SpringHill 7717 95th Ave. Evart, MI 49631	None	N/A	Operating Fund	\$ 2,500
The Springs, Inc. 8173 Davison Road Oldenburg, IN 47036	None	N/A	Operating Fund	\$ 15,000
St. Michael's Records, Inc. 3451 Valleywood Drive Kettering, Ohio 45429	None	N/A	Operating Fund	\$ 20,000
The UndergroundZone Ministries formerly Victory Videos, Inc. 1140 Smiley Avenue Cincinnati, OH 45240	None	N/A	Operating Fund	\$ 15,000
United Liberia Inland Church Assoc. and Friends P.O. Box 1158 Carmel, Indiana 46082	None	N/A	Operating Fund	\$ 10,000

GRANTS Paid in 2017

Name and Address	Relationship	Status	Grant/Contribution	Amount
VisionQuest Alliance 18950 Base Camp Road Monument, CO 80132	None	N/A	Operating Fund	\$ 2,500
Whitewater Crossing Christian Church 5771 SR 128 Cleves, OH 45002	None	N/A	Operating Fund	\$ 301,250
Willow Creek Community Church 67 East Algonquin Ave South Barrington, IL 60010	None	N/A	Operating Fund	\$ 20,000
Wycliffe Bible Translators, Inc. P. O. Box 628211 Orlando, FL 32862-8211	None	N/A	Operating Fund	\$ 5,500
Young Life P. O. Box 70065 Prescott, Az 86304-7065	None	N/A	Operating Fund	\$ 39,000

Total Distributions \$ 1,618,795

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

DESCRIPTION	REVENUE AND EXPENSES PER BOOKS	NET INVESTMENT INCOME
-----	-----	-----
ISHARES CORE S&P 500 ETF	531,750.	531,750.
ISHARES RUSSELL MIDCAP INDEX	18,621.	18,621.
ISHARES CORE S&P MID CAP ETF	15,386.	15,386.
I SHARES RUSSELL 2000 INDEX FUND	2,116.	2,116.
JOHNSON GROWTH	98,683.	98,683.
JOHNSON OPPTY	68,397.	68,397.
JOHNSON MUTUAL FUNDS FIXED INCOME FD	39,599.	39,599.
JOHNSON REALTY	91,686.	91,686.
JOHNSON MUT FDS TR EQUITY INCOME FD	60,713.	60,713.
JOHNSON MUTUAL FDS ENHANCED RETURN FD	1,548,933.	1,548,933.
BANK SWEEP	641.	641.
VANGUARD SMALL CAP ETF	59,850.	59,850.
UNIPAC V, LLC INVESTMENT AGMT DTD 05/15/	9,284.	9,284.
US BANK CORE PLUS ACCOUNT	146,906.	146,906.
WESLEYAN INVESTMENT ACCOUNT	41,637.	41,637.
	-----	-----
TOTAL	2,734,202.	2,734,202.
	=====	=====

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

DESCRIPTION -----	REVENUE AND EXPENSES PER BOOKS -----	NET INVESTMENT INCOME -----	ADJUSTED NET INCOME -----	CHARITABLE PURPOSES -----
TAX PREPARATION FEE (NON-ALLOC	900.	450.		450.
TOTALS	900.	450.	NONE	450.
	=====	=====	=====	=====

FORM 990PF, PART I - OTHER PROFESSIONAL FEES

=====

DESCRIPTION -----	REVENUE AND EXPENSES PER BOOKS -----	NET INVESTMENT INCOME -----
CUSTODIAN & MANAGEMENT FEES (A)	714.	714.
TOTALS	714.	714.
	=====	=====

FORM 990PF, PART I - TAXES

=====

DESCRIPTION	REVENUE AND EXPENSES PER BOOKS	CHARITABLE PURPOSES
-----	-----	-----
OHIO CHARITABLE FEE	200.	200.
CONTINUED EXISTENCE FEE	25.	25.
FEDERAL TAXES PAYMENT - PRIOR	55,407.	
FEDERAL ESTIMATES	81,608.	
	-----	-----
TOTALS	137,240.	225.
	=====	=====

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

DESCRIPTION -----	REVENUE AND EXPENSES PER BOOKS -----	NET INVESTMENT INCOME -----
LINCOLN NATL EXPENSES	800.	800.
PENALTY FOR UNDERPAYMENT OF TA	1,381.	
TOTALS	----- 2,181. =====	----- 800. =====

FORM 990PF, PART II - OTHER NOTES AND LOANS RECEIVABLE
=====

BORROWER:

UNIPAC V LLC

RELATIONSHIP TO INSIDER:

NONE

INTEREST RATE: 6.000000

DATE OF NOTE: 05/15/2007

MATURITY DATE: 05/15/2021

BEGINNING BALANCE DUE 238,541.

BORROWER:

JOHNSON CRT

RELATIONSHIP TO INSIDER:

NONE

INTEREST RATE: 5.000000

MATURITY DATE: 03/01/2016

TOTAL BEGINNING OTHER NOTES AND LOANS RECEIVABLE

238,541.

=====

COVENANT FOUNDATION, INC.

31-1225037

FORM 990PF, PART II - U.S. AND STATE OBLIGATIONS
=====

DESCRIPTION -----	ENDING BOOK VALUE -----	ENDING FMV ---
U.S. GOVERNMENT BONDS	824,248.	826,842.
TAXABLE MUNICIPAL BONDS	115,750.	110,524.
	-----	-----
TOTALS	939,998.	937,366.
	=====	=====

COVENANT FOUNDATION, INC.

31-1225037

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

DESCRIPTION -----	ENDING BOOK VALUE -----	ENDING FMV ---
MUTUAL FDS / STOCKS - EQUITY STOCKS	59,201,839.	73,757,118.
TOTALS	----- 59,201,839. =====	----- 73,757,118. =====

COVENANT FOUNDATION, INC.

31-1225037

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

DESCRIPTION -----	ENDING BOOK VALUE -----	ENDING FMV ----
JOHNSON FIXED INCOME FUND	1,991,252.	2,031,000.
CORP BONDS & FIXED INC FUNDS	4,212,711.	4,179,369.
	-----	-----
TOTALS	6,203,963.	6,210,369.
	=====	=====

COVENANT FOUNDATION, INC.

31-1225037

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

DESCRIPTION -----	COST/ FMV C OR F -----	ENDING BOOK VALUE -----	ENDING FMV ----
LINCOLN NATIONAL LIFE INS. POL	C	2,294.	188.
WESLEYAN INVESTMENT ACCOUNT	C	2,113,113.	2,113,113.
		-----	-----
TOTALS		2,115,407.	2,113,301.
		=====	=====

FORM 990PF, PART VII-A, LINE 14 - BOOKS ARE IN THE CARE OF
=====

NAME: TIMOTHY E. JOHNSON
JOHNSON TRUST COMPAN
ADDRESS: 3777 WEST FORK ROAD
CINCINNATI, OH 45247

TELEPHONE NUMBER: (513) 661-3100