

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

OMB No 1545-0052

2007

Department of the Treasury
Internal Revenue Service

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

For calendar year 2007, or tax year beginning , 2007, and ending ,

G Check all that apply ☐ Initial return ☐ Final return ☐ Amended return ☐ Address change ☐ Name changeUse the
IRS label.
Otherwise,
print
or type.
See Specific
Instructions.COVENANT FOUNDATION, INC.
8122 DATAPOINT DR, #1000
SAN ANTONIO, TX 78229-3270

A Employer identification number

74-2622129

B Telephone number (see the instructions)

210-614-7051

C If exemption application is pending, check here ☐D 1 Foreign organizations, check here ☐2 Foreign organizations meeting the 85% test, check here and attach computation ☐E If private foundation status was terminated under section 507(b)(1)(A), check here ☐F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here ☐H Check type of organization: ☒ Section 501(c)(3) exempt private foundation
☐ Section 4947(a)(1) nonexempt charitable trust ☐ Other taxable private foundationI Fair market value of all assets at end of year
(from Part II, column (c), line 16)

▶ \$ 33,414,093.

J Accounting method: ☐ Cash ☒ Accrual
☐ Other (specify) _____

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

Part I Analysis of Revenue and Expenses

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

(a) Revenue and expenses per books

(b) Net investment income

(c) Adjusted net income

(d) Disbursements for charitable purposes (cash basis only)

1 Contributions, gifts, grants, etc., received (att sch)

11,303,760.

2 Ck ☐ if the foundn is not req to att Sch B

3 Interest on savings and temporary cash investments

453,491.

453,491.

N/A

4 Dividends and interest from securities

43.

43.

5a Gross rents

b Net rental income or (loss)

-13,844.

STATEMENT 1

6a Net gain/(loss) from sale of assets not on line 10

b Gross sales price for all assets on line 6a

7 Capital gain net income (from Part IV, line 2)

8 Net short-term capital gain

9 Income modifications

10a Gross sales less returns and allowances

b Less: Cost of goods sold

c Gross profit/(loss) (att sch)

11 Other income (attach schedule)

SEE STATEMENT 2

279,955.

12 Total. Add lines 1 through 11

12,023,405.

453,534.

13 Compensation of officers, directors, trustees, etc

75,006.

14 Other employee salaries and wages

15 Pension plans, employee benefits

16a Legal fees (attach schedule) SEE ST 3

3,850.

b Accounting fees (attach sch) SEE ST 4

2,193.

17 Other prof fees (attach sch)

18 Interest

52,650.

19 Taxes (attach schedule) SEE STMT 5

20 Depreciation (attach sch) and depletion

1,534.

21 Occupancy

22 Travel, conferences, and meetings

23 Printing and publications

24 Other expenses (attach schedule)

SEE STATEMENT 6

26,561.

6,636.

25 Total operating and administrative expenses. Add lines 13 through 23

161,794.

6,636.

26 Contributions, gifts, grants paid PART XV

7,373,464.

7,373,464.

27 Total expenses and disbursements. Add lines 24 and 25

7,535,258.

6,636.

7,373,464.

28 Subtract line 26 from line 12:

a Excess of revenue over expenses and disbursements

4,488,147.

b Net investment income (if negative, enter -0-)

446,898.

c Adjusted net income (if negative, enter -0-)

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ADMINISTRATIVE EXPENSES

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	31,239.	61,869.	61,869.
	2 Savings and temporary cash investments	14,569,182.	7,506,035.	7,506,035.
	3 Accounts receivable 204.			
	Less: allowance for doubtful accounts ▶		204.	204.
	4 Pledges receivable			
	Less: allowance for doubtful accounts ▶			
	5 Grants receivable			
	6 Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see the instructions).			
	7 Other notes and loans receivable (attach sch) ▶			
	Less: allowance for doubtful accounts ▶			
	8 Inventories for sale or use			
	9 Prepaid expenses and deferred charges		600.	600.
	10a Investments — U.S. and state government obligations (attach schedule)			
	b Investments — corporate stock (attach schedule) STATEMENT 7.	19,103,750.	30,457,657.	24,549,825.
	c Investments — corporate bonds (attach schedule)			
	11 Investments — land, buildings, and equipment: basis			
Less: accumulated depreciation (attach schedule)				
12 Investments — mortgage loans				
13 Investments — other (attach schedule) STATEMENT 8	2,451,010.	2,601,450.	1,293,109.	
14 Land, buildings, and equipment: basis ▶ 8,051.				
Less: accumulated depreciation (attach schedule) SEE STMT 9 ▶ 5,600.	3,985.	2,451.	2,451.	
15 Other assets (describe ▶)				
16 Total assets (to be completed by all filers — see instructions. Also, see page 1, item I)	36,159,166.	40,630,266.	33,414,093.	
LIABILITIES	17 Accounts payable and accrued expenses	19,401.	2,354.	
	18 Grants payable			
	19 Deferred revenue			
	20 Loans from officers, directors, trustees, & other disqualified persons.			
	21 Mortgages and other notes payable (attach schedule)			
	22 Other liabilities (describe ▶)			
	23 Total liabilities (add lines 17 through 22)	19,401.	2,354.	
NET ASSETS OR FUND BALANCES	Foundations that follow SFAS 117, check here and complete lines 24 through 26 and lines 30 and 31. ▶ <input type="checkbox"/>			
	24 Unrestricted			
	25 Temporarily restricted			
	26 Permanently restricted			
	Foundations that do not follow SFAS 117, check here and complete lines 27 through 31. ▶ <input checked="" type="checkbox"/>			
	27 Capital stock, trust principal, or current funds			
	28 Paid-in or capital surplus, or land, building, and equipment fund			
	29 Retained earnings, accumulated income, endowment, or other funds	36,139,765.	40,627,912.	
	30 Total net assets or fund balances (see the instructions)	36,139,765.	40,627,912.	
	31 Total liabilities and net assets/fund balances (see the instructions)	36,159,166.	40,630,266.	

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	36,139,765.
2 Enter amount from Part I, line 27a	2	4,488,147.
3 Other increases not included in line 2 (itemize) ▶	3	
4 Add lines 1, 2, and 3	4	40,627,912.
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	40,627,912.

Part IV Capital Gains and Losses for Tax on Investment Income

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

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

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

2 Capital gain net income or (net capital loss) If gain, also enter in Part I, line 7 If (loss), enter -0- in Part I, line 7 ...	2	
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 the 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 does not qualify under section 4940(e). Do not complete this part.

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

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (column (b) divided by column (c))
2006	7,182,199.	28,730,978.	0.249981
2005	10,804,087.	41,536,641.	0.260110
2004	8,069,734.	29,679,480.	0.271896
2003	9,220,966.	25,546,711.	0.360945
2002	12,325,637.	33,332,596.	0.369777

2 Total of line 1, column (d) ...	2	1.512709
3 Average distribution ratio for the 5-year base period — divide the total on line 2 by 5, or by the number of years the foundation has been in existence if less than 5 years ...	3	0.302542
4 Enter the net value of noncharitable-use assets for 2007 from Part X, line 5 ...	4	27,045,446.
5 Multiply line 4 by line 3 ...	5	8,182,383.
6 Enter 1% of net investment income (1% of Part I, line 27b) ...	6	4,469.
7 Add lines 5 and 6 ...	7	8,186,852.
8 Enter qualifying distributions from Part XII, line 4 ...	8	7,373,464.

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

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

1 a Exempt operating foundations described in section 4940(d)(2), check here <input type="checkbox"/> and enter 'N/A' on line 1. Date of ruling letter: _____ (attach copy of ruling 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	8,938.
c All other domestic foundations enter 2% of line 27b. Exempt foreign organizations enter 4% of Part I, line 12, column (b)			
2 Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)		2	0.
3 Add lines 1 and 2		3	8,938.
4 Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)		4	0.
5 Tax based on investment income. Subtract line 4 from line 3. If zero or less, enter -0-		5	8,938.
6 Credits/Payments			
a 2007 estimated tax pmts and 2006 overpayment credited to 2007	6a 11,419.		
b Exempt foreign organizations — tax withheld at source	6b		
c Tax paid with application for extension of time to file (Form 8868)	6c		
d Backup withholding erroneously withheld	6d		
7 Total credits and payments. Add lines 6a through 6d	7	11,419.	
8 Enter any penalty for underpayment of estimated tax. Check here <input checked="" type="checkbox"/> if Form 2220 is attached.	8		
9 Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed	9	0.	
10 Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid	10	2,481.	
11 Enter the amount of line 10 to be: Credited to 2008 estimated tax 2,481. Refunded	11	0.	

Part VII-A Statements Regarding Activities

	Yes	No
1 a During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?		X
b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see the instructions for definition)?		X
If the answer is 'Yes' to 1a or 1b, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities.		
c Did the foundation file Form 1120-POL for this year?		X
d Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year: (1) On the foundation \$ 0. (2) On foundation managers \$ 0.		
e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers \$ 0.		
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
4 a Did the foundation have unrelated business gross income of \$1,000 or more during the year?	X	
b If 'Yes,' has it filed a tax return on Form 990-T for this year?	X	
5 Was there a liquidation, termination, dissolution, or substantial contraction during the year? 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, column (c), and Part XV.	X	
8 a Enter the states to which the foundation reports or with which it is registered (see the instructions). TX		
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 2007 or the taxable year beginning in 2007 (see instructions for Part XIV)? If 'Yes,' complete Part XIV		X
10 Did any persons become substantial contributors during the tax year? If 'Yes,' attach a schedule listing their names and addresses.		X

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Part VII-A Statements Regarding Activities Continued

11a	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)	11a		X
b	If 'Yes', did the foundation have a binding written contract in effect on August 17, 2006, covering the interest, rents, royalties, an annuities described in the attachment for line 11a?	11b	N/A	
12	Did the foundation acquire a direct or indirect interest in any applicable insurance contract?	12		X
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application?	13	X	
Website address ▶ N/A				
14	The books are in care of ▶ <u>CHARLES A. STAFFEL</u> Telephone no ▶ <u>210-614-7051</u>			
	Located at ▶ <u>8122 DATAPOINT DR #1000 SAN ANTONIO TX</u> ZIP + 4 ▶ <u>78229-3270</u>			
15	Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041 - Check here.	N/A	▶	<input type="checkbox"/>
and enter the amount of tax-exempt interest received or accrued during the year. ▶ 15 N/A				

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

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

	Yes	No
1a During the year did the foundation (either directly or indirectly):		
(1) Engage in the sale or exchange, or leasing of property with a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
(5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(6) Agree to pay money or property to a government official? (Exception. Check 'No' if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days.) <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
b If any answer is 'Yes' to 1a(1)-(6), did any of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see the instructions)?	1b	X
Organizations relying on a current notice regarding disaster assistance check here ▶ <input type="checkbox"/>		
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 2007?	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 2007, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2007? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
If 'Yes,' list the years ▶ 20__ , 20__ , 20__ , 20__ .		
b Are there any years listed in 2a for which the foundation is not applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to all years listed, answer 'No' and attach statement - see the instructions.)	2b	N/A
c If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here. ▶ 20__ , 20__ , 20__ , 20__ .		
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 2007 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 2007.)	3b	N/A
4a Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	4a	X
b Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2007?	4b	X

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

- (1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))? ☐ Yes ☒ No
- (2) Influence the outcome of any specific public election (see section 4955); or to carry on, directly or indirectly, any voter registration drive? ☐ Yes ☒ No
- (3) Provide a grant to an individual for travel, study, or other similar purposes? ☐ Yes ☒ No
- (4) Provide a grant to an organization other than a charitable, etc., organization described in section 509(a)(1), (2), or (3), or section 4940(d)(2)? (see instructions) ☐ Yes ☒ No
- (5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals? ☐ Yes ☒ No

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

5b N/A

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

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

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

6b X

If you answered 'Yes' to 6b, also file Form 8870.

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

7b N/A

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

(a) Name and address	(b) Title and average hours per week devoted to position	(c) Compensation (if not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
SEE STATEMENT 10		75,078.	10,029.	0.

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

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

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

0

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

(a) Name and address of each person paid more than \$50,000	(b) Type of service	(c) Compensation
NONE		

Total number of others receiving over \$50,000 for professional services 0

Part IX-A Summary of Direct Charitable Activities

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

	Expenses
1 N/A	
2	
3	
4	

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

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

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Part IX 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	13,893,508.
b	Average of monthly cash balances	1b	11,688,541.
c	Fair market value of all other assets (see instructions)	1c	1,875,257.
d	Total (add lines 1a, b, and c)	1d	27,457,306.
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation).	1e	0.
2	Acquisition indebtedness applicable to line 1 assets	2	0.
3	Subtract line 2 from line 1d	3	27,457,306.
4	Cash deemed held for charitable activities. Enter 1-1/2% of line 3 (for greater amount, see instructions)	4	411,860.
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	27,045,446.
6	Minimum investment return. Enter 5% of line 5	6	1,352,272.

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	1,352,272.
2a	Tax on investment income for 2007 from Part VI, line 5	2a	8,938.
b	Income tax for 2007. (This does not include the tax from Part VI.)	2b	
c	Add lines 2a and 2b	2c	8,938.
3	Distributable amount before adjustments. Subtract line 2c from line 1.	3	1,343,334.
4	Recoveries of amounts treated as qualifying distributions	4	
5	Add lines 3 and 4	5	1,343,334.
6	Deduction from distributable amount (see instructions)	6	
7	Distributable amount as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1	7	1,343,334.

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	7,373,464.
b	Program-related investments — total from Part IX-B	1b	
2	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes	2	
3	Amounts set aside for specific charitable projects that satisfy the:		
a	Suitability test (prior IRS approval required)	3a	
b	Cash distribution test (attach the required schedule)	3b	
4	Qualifying distributions. Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	4	7,373,464.
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	
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6	7,373,464.

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 2006	(c) 2006	(d) 2007
1 Distributable amount for 2007 from Part XI, line 7				1,343,334.
2 Undistributed income, if any, as of the end of 2006:				
a Enter amount for 2006 only			0.	
b Total for prior years: 20__, 20__, 20__		0.		
3 Excess distributions carryover, if any, to 2007:				
a From 2002	10,665,043.			
b From 2003	7,944,970.			
c From 2004	6,619,532.			
d From 2005	8,857,508.			
e From 2006	5,823,383.			
f Total of lines 3a through e	39,910,436.			
4 Qualifying distributions for 2007 from Part XII, line 4: ▶ \$ 7,373,464.				
a Applied to 2006, but not more than line 2a			0.	
b Applied to undistributed income of prior years (Election required — see instructions)		0.		
c Treated as distributions out of corpus (Election required — see instructions)	0.			
d Applied to 2007 distributable amount				1,343,334.
e Remaining amount distributed out of corpus	6,030,130.			
5 Excess distributions carryover applied to 2007 (If an amount appears in column (d), the same amount must be shown in column (a).)	0.			0.
6 Enter the net total of each column as indicated below:				
a Corpus. Add lines 3f, 4c, and 4e. Subtract line 5	45,940,566.			
b Prior years' undistributed income. Subtract line 4b from line 2b		0.		
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed		0.		
d Subtract line 6c from line 6b. Taxable amount — see instructions		0.		
e Undistributed income for 2006. Subtract line 4a from line 2a. Taxable amount — see instructions			0.	
f Undistributed income for 2007. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2008				0.
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (see instructions)	0.			
8 Excess distributions carryover from 2002 not applied on line 5 or line 7 (see instructions)	10,665,043.			
9 Excess distributions carryover to 2008. Subtract lines 7 and 8 from line 6a	35,275,523.			
10 Analysis of line 9				
a Excess from 2003	7,944,970.			
b Excess from 2004	6,619,532.			
c Excess from 2005	8,857,508.			
d Excess from 2006	5,823,383.			
e Excess from 2007	6,030,130.			

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

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
<i>a Paid during the year</i> SEE SCHEDULE			SEE SCHEDULE	7,373,464.
Total			3a	7,373,464.
<i>b Approved for future payment</i>				
Total			3b	

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated

Enter gross amounts unless otherwise indicated		Unrelated business income		Excluded by section 512, 513, or 514		(e) Related or exempt function income (see the instructions)
		(a) Business code	(b) Amount	(c) Exclu- sion code	(d) Amount	
1	Program service revenue:					
a						
b						
c						
d						
e						
f						
g	Fees and contracts from government agencies					
2	Membership dues and assessments					
3	Interest on savings and temporary cash investments	525990	120.	14	453,371.	
4	Dividends and interest from securities			14	43.	
5	Net rental income or (loss) from real estate:					
a	Debt-financed property					
b	Not debt-financed property					
6	Net rental income or (loss) from personal property.					
7	Other investment income					
8	Gain or (loss) from sales of assets other than inventory . . .			18	-13,844.	
9	Net income or (loss) from special events . . .					
10	Gross profit or (loss) from sales of inventory					
11	Other revenue.					
a	NET PTRSHIP INCOME-UBIT	525990	279,955.	14		
b						
c						
d						
e						
12	Subtotal. Add columns (b), (d), and (e)		280,075.		439,570.	
13	Total. Add line 12, columns (b), (d), and (e)				13	719,645.

(See worksheet in the instructions for line 13 to verify calculations)

Part XVI-B Relationship of Activities to the Accomplishment of Exempt Purposes

[illegible]

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

Department of the Treasury
Internal Revenue Service

Schedule of Contributors

Supplementary Information for
line 1 of Form 990, 990-EZ and 990-PF (see instructions)

OMB No 1545-0047

2007

Name of organization

COVENANT FOUNDATION, INC.

Employer identification number

74-2622129

Organization type (check one).

Filers of:

Form 990 or 990-EZ

Section:

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

Form 990-PF

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

Check if your organization is covered by the **General Rule** or a **Special Rule**. (Note: Only a section 501(c)(7), (8), or (10) organization can check boxes for both the General Rule and a Special Rule – see instructions.)

General Rule –

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

Special Rules –

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

Caution: Organizations that are not covered by the General Rule and/or the Special Rules do not file Schedule B (Form 990, 990-EZ, or 990-PF) but they **must** check the box in the heading of their Form 990, Form 990-EZ, or on line 2 of their Form 990-PF, to certify that they do not meet the filing requirements of Schedule B (Form 990, 990-EZ, or 990-PF)

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

Schedule B (Form 990, 990-EZ, or 990-PF) (2007)

Name of organization

Employer identification number

COVENANT FOUNDATION, INC.

74-2622129

Part I Contributors (See Specific Instructions.)

(a) Number	(b) Name, address, and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
1	JAMES & CECELIA LEININGER 8122 DATAPOINT DR, STE 1000 SAN ANTONIO, TX 78229	\$ 11,303,760.	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input checked="" type="checkbox"/> (Complete Part II if there is a noncash contribution.)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)

Employer identification number

74-2622129

Part II

[illegible]

Schedule B (Form 990, 990-EZ, or 990-PF) (2007)

Employer identification number

74-2622129

Part III

► \$ N/A

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

Underpayment of Estimated Tax by Corporations

► See separate instructions.
► Attach to the corporation's tax return.

2007

Name **COVENANT FOUNDATION, INC.** Employer identification number **74-2622129**

Note: Generally, the corporation is not required to file Form 2220 (see Part II below for exceptions) because the IRS will figure any penalty owed and bill the corporation. However, the corporation may still use Form 2220 to figure the penalty. If so, enter the amount from page 2, line 34 on the estimated tax penalty line of the corporation's income tax return, but **do not** attach Form 2220

Part I Required Annual Payment

1	Total tax (see instructions)	1	8,938.
2a	Personal holding company tax (Schedule PH (Form 1120), line 26) included on line 1		
2b	Look-back interest included on line 1 under section 460(b)(2) for completed long-term contracts or section 167(g) for depreciation under the income forecast method		
2c	Credit for federal tax paid on fuels (see instructions)		
2d	Total. Add lines 2a through 2c	2d	
3	Subtract line 2d from line 1. If the result is less than \$500, do not complete or file this form. The corporation does not owe the penalty	3	8,938.
4	Enter the tax shown on the corporation's 2006 income tax return (see instructions). Caution: If the tax is zero or the tax year was for less than 12 months, skip this line and enter the amount from line 3 on line 5	4	77,733.
5	Required annual payment. Enter the smaller of line 3 or line 4. If the corporation is required to skip line 4, enter the amount from line 3	5	8,938.

Part II Reasons for Filing — Check the boxes below that apply. If any boxes are checked, the corporation **must** file Form 2220, even if it does not owe a penalty (see instructions).

- 6 ☐ The corporation is using the adjusted seasonal installment method.
 7 ☐ The corporation is using the annualized income installment method.
 8 ☒ The corporation is a 'large corporation' figuring its first required installment based on the prior year's tax.

Part III Figuring the Underpayment

	(a)	(b)	(c)	(d)	
9 Installment due dates. Enter in columns (a) through (d) the 15th day of the 4th (Form 990 — PF filers: Use 5th month), 6th, 9th, and 12th months of the corporation's tax year	9	5/15/07	6/15/07	9/15/07	12/15/07
10 Required installments. If the box on line 6 and/or line 7 above is checked, enter the amounts from Schedule A, line 38. If the box on line 8 (but not 6 or 7) is checked, see instructions for the amounts to enter. If none of these boxes are checked, enter 25% of line 5 above in each column	10	2,234.	2,234.	2,235.	2,235.
11 Estimated tax paid or credited for each period (see instructions). For column (a) only, enter the amount from line 11 on line 15	11	3,919.	7,500.		
Complete lines 12 through 18 of one column before going to the next column.					
12 Enter amount, if any, from line 18 of the preceding column.	12		1,685.	6,951.	4,716.
13 Add lines 11 and 12	13		9,185.	6,951.	4,716.
14 Add amounts on lines 16 and 17 of the preceding column.	14				
15 Subtract line 14 from line 13. If zero or less, enter -0-	15	3,919.	9,185.	6,951.	4,716.
16 If the amount on line 15 is zero, subtract line 13 from line 14. Otherwise, enter -0-	16		0.	0.	
17 Underpayment. If line 15 is less than or equal to line 10, subtract line 15 from line 10. Then go to line 12 of the next column. Otherwise, go to line 18	17				
18 Overpayment. If line 10 is less than line 15, subtract line 10 from line 15. Then go to line 12 of the next column	18	1,685.	6,951.	4,716.	

Go to Part IV on page 2 to figure the penalty. Do not go to Part IV if there are no entries on line 17 — no penalty is owed.

Part IV Figuring the Penalty

	(a)	(b)	(c)	(d)
19 Enter the date of payment or the 15th day of the 3rd month after the close of the tax year, whichever is earlier (see instructions) <i>(Form 990-PF and Form 990-T filers: Use 5th month instead of 3rd month.)</i>	19			
20 Number of days from due date of installment on line 9 to the date shown on line 19	20			
21 Number of days on line 20 after 4/15/2007 and before 1/1/2008	21			
22 Underpayment on line 17 \times $\frac{\text{Number of days on line 21}}{365} \times 8\%$	22			
23 Number of days on line 20 after 12/31/2007 and before 4/1/2008	23			
24 Underpayment on line 17 \times $\frac{\text{Number of days on line 23}}{366} \times 7\%$	24			
25 Number of days on line 20 after 3/31/2008 and before 7/1/2008	25			
26 Underpayment on line 17 \times $\frac{\text{Number of days on line 25}}{366} \times ___\%$	26			
27 Number of days on line 20 after 6/30/2008 and before 10/1/2008	27			
28 Underpayment on line 17 \times $\frac{\text{Number of days on line 27}}{366} \times ___\%$	28			
29 Number of days on line 20 after 9/30/2008 and before 1/1/2009	29			
30 Underpayment on line 17 \times $\frac{\text{Number of days on line 29}}{366} \times ___\%$	30			
31 Number of days on line 20 after 12/31/2008 and before 2/16/2009	31			
32 Underpayment on line 17 \times $\frac{\text{Number of days on line 31}}{365} \times ___\%$	32			
33 Add lines 22, 24, 26, 28, 30, and 32	33			
34 Penalty. Add columns (a) through (d) of line 33. Enter the total here and on Form 1120, line 33, or the comparable line for other income tax returns.	34			0.

***For underpayments paid after March 31, 2008:** For lines 26, 28, 30, and 32, use the penalty interest rate for each calendar quarter, which the IRS will determine during the first month in the preceding quarter. These rates are published quarterly in an IRS News Release and in a revenue ruling in the Internal Revenue Bulletin. To obtain this information on the Internet, access the IRS website at www.irs.gov. You can also call 1-800-829-4933 to get interest rate information.

2007

FEDERAL STATEMENTS

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COVENANT FOUNDATION, INC.

74-2622129

8/28/08

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STATEMENT 1
FORM 990-PF, PART I, LINE 6A
NET GAIN (LOSS) FROM NONINVENTORY SALES PER BOOKS
ASSETS NOT INCLUDED IN PART IV

DESCRIPTION:	CONVERGENT INVESTORS VI LP		
DATE ACQUIRED:	VARIOUS		
HOW ACQUIRED:	PURCHASE		
DATE SOLD:	VARIOUS		
TO WHOM SOLD:			
GROSS SALES PRICE:	0.		
COST OR OTHER BASIS:	13,844.		
BASIS METHOD:	COST	GAIN (LOSS)	-13,844.
		TOTAL	<u>\$ -13,844.</u>

STATEMENT 2
FORM 990-PF, PART I, LINE 11
OTHER INCOME

NET PTRSHIP INCOME-UBIT			
		TOTAL	<u>\$ 279,955.</u>
			<u>\$ 279,955.</u>

STATEMENT 3
FORM 990-PF, PART I, LINE 16A
LEGAL FEES

	(A) EXPENSES PER BOOKS	(B) NET INVESTMENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
LEGAL	\$ 3,850.			
TOTAL	<u>\$ 3,850.</u>	<u>\$ 0.</u>	<u></u>	<u>\$ 0.</u>

STATEMENT 4
FORM 990-PF, PART I, LINE 16B
ACCOUNTING FEES

	(A) EXPENSES PER BOOKS	(B) NET INVESTMENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
TAX PREPARATION	\$ 2,193.			
TOTAL	<u>\$ 2,193.</u>	<u>\$ 0.</u>	<u></u>	<u>\$ 0.</u>

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COVENANT FOUNDATION, INC.

74-2622129

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STATEMENT 5
FORM 990-PF, PART I, LINE 18
TAXES

	(A) EXPENSES PER BOOKS	(B) NET INVESTMENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
FORM 990-T TAXES	\$ 40,000.			
PAYROLL TAXES	5,487.			
PROPERTY TAX-FURNITURE	88.			
STATE TAX REFUND	-695.			
TAX ON INVESTMENT INCOME	7,770.			
TOTAL	\$ 52,650.	\$ 0.		\$ 0.

STATEMENT 6
FORM 990-PF, PART I, LINE 23
OTHER EXPENSES

	(A) EXPENSES PER BOOKS	(B) NET INVESTMENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
BENEFIT PLAN	\$ 1,875.			
EMPLOYEE INSURANCE	8,071.			
MEALS & ENTERTAINMENT	1,362.			
NONDEDUCTIBLE EXP-PARTNERSHIP	844.			
OFFICE EXPENSE	1,017.			
PAYROLL SERVICE FEES	1,824.			
PORTFOLIO FEES-PTRSHIPS	6,636.	\$ 6,636.		
POSTAGE/FREIGHT	115.			
TAX PENALTIES	49.			
TELEPHONE	1,377.			
TRAVEL	3,391.			
TOTAL	\$ 26,561.	\$ 6,636.		\$ 0.

STATEMENT 7
FORM 990-PF, PART II, LINE 10B
INVESTMENTS - CORPORATE STOCKS

CORPORATE STOCKS	VALUATION METHOD	BOOK VALUE	FAIR MARKET VALUE
KINETIC CONCEPTS, INC.	COST	\$ 30,407,510.	\$ 24,530,480.
CLEAR WIRE HOLDINGS	COST	50,147.	19,345.
TOTAL		\$ 30,457,657.	\$ 24,549,825.

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FEDERAL STATEMENTS

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COVENANT FOUNDATION, INC.

74-2622129

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STATEMENT 8
FORM 990-PF, PART II, LINE 13
INVESTMENTS - OTHER

	VALUATION METHOD	BOOK VALUE	FAIR MARKET VALUE
<u>OTHER INVESTMENTS</u>			
CONVERGENT INVESTORS VI, LP	COST	\$ 1,570,708.	\$ 262,367.
COVENANT CLASSICAL SCHOOLS, LLC	COST	1,030,742.	1,030,742.
	TOTAL	<u>\$ 2,601,450.</u>	<u>\$ 1,293,109.</u>

STATEMENT 9
FORM 990-PF, PART II, LINE 14
LAND, BUILDINGS, AND EQUIPMENT

CATEGORY	BASIS	ACCUM. DEPREC.	BOOK VALUE	FAIR MARKET VALUE
FURNITURE AND FIXTURES	\$ 8,051.	\$ 5,600.	\$ 2,451.	\$ 2,451.
TOTAL	<u>\$ 8,051.</u>	<u>\$ 5,600.</u>	<u>\$ 2,451.</u>	<u>\$ 2,451.</u>

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

NAME AND ADDRESS	TITLE AND AVERAGE HOURS PER WEEK DEVOTED	COMPEN- SATION	CONTRI- BUTION TO EBP & DC	EXPENSE ACCOUNT/ OTHER
THOMAS W. LYLES, JR. 8122 DATAPOINT DR, #1000 SAN ANTONIO, TX 78229-3270	SECRETARY 0	\$ 0.	\$ 0.	\$ 0.
CHARLES A. STAFFEL 8122 DATAPOINT DR, #1000 SAN ANTONIO, TX 78229-3270	TREAS/DIR 0	0.	0.	0.
JAMES R. LEININGER 8122 DATAPOINT DR, #1000 SAN ANTONIO, TX 78229-3270	CHAIRMAN/DIR 0	0.	0.	0.
CECELIA A. LEININGER 8122 DATAPOINT DR, #1000 SAN ANTONIO, TX 78229-3270	DIRECTOR 0	0.	0.	0.
TRACY M. LEININGER 8122 DATAPOINT DR, #1000 SAN ANTONIO, TX 78229-3270	DIRECTOR 0	0.	0.	0.
BRIAN C. LEININGER 8122 DATAPOINT DR, #1000 SAN ANTONIO, TX 78229-3270	DIRECTOR 0	0.	0.	0.

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FEDERAL STATEMENTS

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COVENANT FOUNDATION, INC.

74-2622129

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

NAME AND ADDRESS	TITLE AND AVERAGE HOURS PER WEEK DEVOTED	COMPEN- SATION	CONTRI- BUTION TO EBP & DC	EXPENSE ACCOUNT/ OTHER
KELLY C. WELCH 8122 DATAPOINT DR, #1000 SAN ANTONIO, TX 78229-3270	DIRECTOR 0	\$ 0.	\$ 0.	\$ 0.
RICHARD H. WELCH 8122 DATAPOINT DR, #1000 SAN ANTONIO, TX 78229-3270	DIRECTOR 0	0.	0.	0.
ROBERT WELCH 8122 DATAPOINT DR, #1000 SAN ANTONIO, TX 78229-3270	DIRECTOR 0	0.	0.	0.
DAVID CRAVEN 8122 DATAPOINT DR, #1000 SAN ANTONIO, TX 78229	PRES/A.SEC/DIR 40.00	75,078.	10,029.	0.
TOTAL		\$ 75,078.	\$ 10,029.	\$ 0.

Covenant Foundation, Inc.
2007 Form 990-PF
EIN 74-2622129

Part XV - Line 3

<u>Recipients</u>	<u>Relation</u>	<u>Status</u>	<u>Purpose</u>	<u>Amount</u>
Antioch Ministries	NONE	Public Charity	General Funding	19,400 00
Bridge the Gap International	NONE	Public Charity	General Funding	3,600 00
Building A Firm Foundation	NONE	Public Charity	General Funding	5,000 00
Campus Crusade for Christ	NONE	Public Charity	General Funding	103,000 00
Central Christian Church	NONE	Public Charity	General Funding	3,600 00
Pregnancy Care Center	NONE	Public Charity	General Funding	13,600 00
Commission to Every Nation	NONE	Public Charity	General Funding	3,600 00
Friends for Children Everywhere	NONE	Public Charity	General Funding	27,200 00
Harvest International, Inc	NONE	Public Charity	General Funding	38,600 00
International Christian Mission	NONE	Public Charity	General Funding	3,600 00
Life Action Ministries	NONE	Public Charity	General Funding	20,000 00
Mercy Ships	NONE	Public Charity	General Funding	10,000 00
Only a Servant Ministries, Inc	NONE	Public Charity	General Funding	22,000 00
Open Doors	NONE	Public Charity	General Funding	15,000 00
Ophans Unlimited	NONE	Public Charity	General Funding	70,000 00
Pacto con Dios Ministry	NONE	Public Charity	General Funding	7,000 00
Pilgrim Institute	NONE	Public Charity	General Funding	2,500 00
Proclaiming His Word, Inc	NONE	Public Charity	General Funding	2,400 00
Son-Risen Ministries	NONE	Public Charity	General Funding	3,600 00
Texas Justice Foundation	NONE	Public Charity	General Funding	75,000 00
Texas Public Policy Foundation	NONE	Public Charity	General Funding	125,000 00
Tri- Cities Christian School	NONE	Public Charity	General Funding	12,600 00
Verbo Ministries	NONE	Public Charity	General Funding	6,000 00
Way for Today	NONE	Public Charity	General Funding	4,600 00
WIDE Ministries	NONE	Public Charity	General Funding	11,100 00
World Harvest Missions	NONE	Public Charity	General Funding	5,600 00
YWAM - Garden Valley	NONE	Public Charity	General Funding	14,400 00
YWAM - Guatemala	NONE	Public Charity	General Funding	8,200 00
YWAM - Jamaica	NONE	Public Charity	General Funding	1,500 00
YWAM - Montana	NONE	Public Charity	General Funding	1,500 00
YWAM - Strategic Frontiers	NONE	Public Charity	General Funding	2,400 00
Adams State College	NONE	Public Charity	General Funding	1,000 00
Advocates International	NONE	Public Charity	General Funding	50,000 00
Alamo City Christian Fellowship	NONE	Public Charity	General Funding	1,000 00
ALERT	NONE	Public Charity	General Funding	62,000 00
All Nations	NONE	Public Charity	General Funding	3,600 00
Alliance Defense Fund	NONE	Public Charity	General Funding	10,000 00
Altar Ministries	NONE	Public Charity	General Funding	4,800 00
American - Chinese Fellowship	NONE	Public Charity	General Funding	6,000 00
Americans United for Life	NONE	Public Charity	General Funding	10,000 00
Ark Rival Ministries	NONE	Public Charity	General Funding	5,000 00
Austin Pregnancy Resource Center	NONE	Public Charity	General Funding	2,000 00
Avant	NONE	Public Charity	General Funding	5,000 00
Awakening for Today Ministry	NONE	Public Charity	General Funding	40,000 00
Bible Teaching Ministries	NONE	Public Charity	General Funding	60,000 00
Biblical Leadership for Excellence	NONE	Public Charity	General Funding	2,400 00
Bless India Ministries	NONE	Public Charity	General Funding	42,400 00
Brookwood Community	NONE	Public Charity	General Funding	10,000 00
Broken Walls International, Inc	NONE	Public Charity	General Funding	5,000 00
Camp Forest Springs	NONE	Public Charity	General Funding	2,500 00
Caritas Foundation	NONE	Public Charity	General Funding	10,000 00
CASA of Central Texas, Inc	NONE	Public Charity	General Funding	2,000 00
Castle Hills First Baptist Church - SA	NONE	Public Charity	General Funding	250 00

Covenant Foundation, Inc.
2007 Form 990-PF
EIN 74-2622129

Part XV - Line 3

<u>Recipients</u>	<u>Relation</u>	<u>Status</u>	<u>Purpose</u>	<u>Amount</u>
CEO Foundation - Austin	NONE	Public Charity	General Funding	2,500 00
CEO Foundation - San Antonio	NONE	Private Foundation	General Funding	1,059,312.29
Champions for Life	NONE	Public Charity	General Funding	5,000 00
Child Legacy International	NONE	Public Charity	General Funding	10,000 00
Children's AIDS Funds	NONE	Public Charity	General Funding	50,000 00
China Outreach Ministries	NONE	Public Charity	General Funding	5,000 00
Christian Academy of San Antonio	NONE	Public Charity	General Funding	2,292,990 00
Christian Legal Society	NONE	Public Charity	General Funding	15,000 00
Christian Light Foundation	NONE	Public Charity	General Funding	10,000 00
Christian Mission to Youth	NONE	Public Charity	General Funding	5,000 00
Christian Missionary Society	NONE	Public Charity	General Funding	5,000 00
Christian Outdoor Alliance	NONE	Public Charity	General Funding	5,000 00
Christian Women's Job Corps of McLennan County	NONE	Public Charity	General Funding	1,000 00
Chrysalis International	NONE	Public Charity	General Funding	5,000 00
Clebe McClary Evangelistic Association	NONE	Public Charity	General Funding	10,000 00
Compassion International	NONE	Public Charity	General Funding	10,000 00
Concepts of Truth	NONE	Public Charity	General Funding	10,000 00
Cook Communications Ministries	NONE	Public Charity	General Funding	10,000 00
Coral Ridge Ministries	NONE	Public Charity	General Funding	10,000 00
Cornerstone Family Ministries (PA)	NONE	Public Charity	General Funding	1,000 00
Creation Expeditions	NONE	Public Charity	General Funding	20,000 00
Creation Moments	NONE	Public Charity	General Funding	5,000 00
Cross and Crown Church	NONE	Public Charity	General Funding	500 00
Crossroad Bible Institute	NONE	Public Charity	General Funding	10,000 00
CURE International	NONE	Public Charity	General Funding	10,000 00
Dayspring International	NONE	Public Charity	General Funding	10,000 00
Deeper Walk Ministries	NONE	Public Charity	General Funding	5,000 00
ECR	NONE	Public Charity	General Funding	2,500 00
Educational Research Analysts	NONE	Public Charity	General Funding	10,000 00
Evangelical Explosion International - South Asia	NONE	Public Charity	General Funding	10,000 00
Faith Academy	NONE	Public Charity	General Funding	5,000 00
Faith Bible Church	NONE	Public Charity	General Funding	10,000.00
Faith Comes By Hearing	NONE	Public Charity	General Funding	20,000 00
Faith Foundation of Central Florida	NONE	Public Charity	General Funding	5,000 00
Faith Mission International	NONE	Public Charity	General Funding	5,000 00
Family Research Council	NONE	Public Charity	General Funding	25,000 00
F E A S T	NONE	Public Charity	General Funding	23,574 87
Free Market Foundation	NONE	Public Charity	General Funding	25,000 00
Global Outreach Group	NONE	Public Charity	General Funding	15,000 00
Global Outreach Mission	NONE	Public Charity	General Funding	4,800 00
Gospel of John Mission	NONE	Public Charity	General Funding	10,000 00
Gospel Revival Ministries	NONE	Public Charity	General Funding	5,000.00
Grace House Inc	NONE	Public Charity	General Funding	10,000 00
Grace International World Outreach	NONE	Public Charity	General Funding	20,000 00
Guatemala Children's Mission	NONE	Public Charity	General Funding	10,000 00
Harvesting in Spanish (HIS)	NONE	Public Charity	General Funding	5,000 00
Heidi Group	NONE	Public Charity	General Funding	140,000 00
Heritage Children	NONE	Public Charity	General Funding	5,000 00
Hill Country Church	NONE	Public Charity	General Funding	200 00
Hill Country Daily Bread	NONE	Public Charity	General Funding	5,500 00
Hill Country Pregnancy Care Center	NONE	Public Charity	General Funding	50,000 00
Home School Foundation	NONE	Public Charity	General Funding	10,000 00
Huisache Avenue Baptist Church	NONE	Public Charity	General Funding	2,500 00

Covenant Foundation, Inc.
2007 Form 990-PF
EIN 74-2622129

Part XV - Line 3

<u>Recipients</u>	<u>Relation</u>	<u>Status</u>	<u>Purpose</u>	<u>Amount</u>
Interdenominational Christian Missions, Inc	NONE	Public Charity	General Funding	25,000 00
International Center for Biblical Counseling	NONE	Public Charity	General Funding	2,500 00
Jeremiah Castille Ministries	NONE	Public Charity	General Funding	7,500 00
Joni and Friends	NONE	Public Charity	General Funding	50,000 00
Josh McDowell Ministry	NONE	Public Charity	General Funding	10,000 00
Justice For All	NONE	Public Charity	General Funding	5,000 00
Kingdom Resources	NONE	Public Charity	General Funding	17,200 00
Life Choices	NONE	Public Charity	General Funding	20,000 00
Lifeline Village	NONE	Public Charity	General Funding	1,000 00
Love Demonstrated Ministries	NONE	Public Charity	General Funding	75,000 00
Mayflower Institute	NONE	Public Charity	General Funding	20,000 00
Media Research Center	NONE	Public Charity	General Funding	20,000 00
Medical Institute of Sexual Health	NONE	Public Charity	General Funding	10,000 00
Mercatus Center	NONE	Public Charity	General Funding	10,000 00
Mision de Candelilla	NONE	Public Charity	General Funding	10,000 00
Mission of Joy	NONE	Public Charity	General Funding	25,000 00
Mission To The World	NONE	Public Charity	General Funding	2,000 00
Nathan/Chask	NONE	Public Charity	General Funding	10,000 00
National Coalition for the Protection of Chldrn & Families'	NONE	Public Charity	General Funding	10,000 00
National Council Bible Curriculum Public Schools	NONE	Public Charity	General Funding	10,000 00
National Institute of Family and Life Advocates	NONE	Public Charity	General Funding	5,000 00
Navigators	NONE	Public Charity	General Funding	14,800 00
New Centunons	NONE	Public Charity	General Funding	15,000 00
New Haven Ministries	NONE	Public Charity	General Funding	10,000 00
Oil of Joy for Mourning	NONE	Public Charity	General Funding	5,000 00
One Way International	NONE	Public Charity	General Funding	1,000 00
Operation Mobilization	NONE	Public Charity	General Funding	5,000 00
Overseas Council International (Indianapolis)	NONE	Public Charity	General Funding	5,000 00
Parents Television Council	NONE	Public Charity	General Funding	10,000 00
Patrick Henry College	NONE	Public Charity	General Funding	60,000 00
Pipe Creek Christian School	NONE	Public Charity	General Funding	5,000 00
Promiseland Ministries	NONE	Public Charity	General Funding	1,500 00
Rafiki Foundation, Inc	NONE	Public Charity	General Funding	500,000 00
Reaching Souls International	NONE	Public Charity	General Funding	20,000 00
Regeneration Ministries	NONE	Public Charity	General Funding	10,000 00
Restoring the Foundations	NONE	Public Charity	General Funding	10,000 00
Returning Heroes Home	NONE	Public Charity	General Funding	10,000 00
Revive Our Hearts	NONE	Public Charity	General Funding	31,000 00
San Antonio Christian School	NONE	Public Charity	General Funding	17,721 00
San Antonio Livestock Exposition	NONE	Public Charity	General Funding	2,000 00
San Antonio Symphony	NONE	Public Charity	General Funding	50,000 00
School Choice Illinois	NONE	Public Charity	General Funding	5,000 00
Search Ministries	NONE	Public Charity	General Funding	2,500 00
Second Baptist School (Houston)	NONE	Public Charity	General Funding	18,486 00
Sent, Inc	NONE	Public Charity	General Funding	10,000 00
Serve International	NONE	Public Charity	General Funding	2,000 00
SPECS/Spects Educational Video, Inc	NONE	Public Charity	General Funding	20,000 00
Still Water Christian Ministries	NONE	Public Charity	General Funding	2,000 00
Student News Daily	NONE	Public Charity	General Funding	10,000 00
Surpassing Grace	NONE	Public Charity	General Funding	5,000 00
Teen Challenge International - Eureka, CA	NONE	Public Charity	General Funding	2,000 00
Teen Pact	NONE	Public Charity	General Funding	50,000 00
The Family Fortress Ministries	NONE	Public Charity	General Funding	5,000 00
The Institute for Youth Development	NONE	Public Charity	General Funding	50,000 00

Covenant Foundation, Inc.
2007 Form 990-PF
EIN 74-2622129

Part XV - Line 3

<u>Recipients</u>	<u>Relation</u>	<u>Status</u>	<u>Purpose</u>	<u>Amount</u>
The Pocket Testament League	NONE	Public Charity	General Funding	10,000 00
The Vineyard Foundation	NONE	Private Foundation	General Funding	701,830 00
Touch the World Ministries	NONE	Public Charity	General Funding	205,000 00
Trans World Radio	NONE	Public Charity	General Funding	10,000 00
Trinity Christian Academy	NONE	Public Charity	General Funding	5,000 00
Victory Christian Center	NONE	Public Charity	General Funding	10,000 00
Vision Forum Ministries	NONE	Public Charity	General Funding	50,000 00
Wales Goebel Ministry	NONE	Public Charity	General Funding	5,000 00
Wall Builder Presentations, Inc.	NONE	Public Charity	General Funding	10,000 00
Wheels of Love	NONE	Public Charity	General Funding	10,000 00
Whetstone Ministries	NONE	Public Charity	General Funding	45,000 00
White River Baptist Church	NONE	Public Charity	General Funding	2,500 00
Word Ministries	NONE	Public Charity	General Funding	3,000 00
World Reach	NONE	Public Charity	General Funding	1,000 00
Young Lives	NONE	Public Charity	General Funding	2,000 00
TOTAL				\$ 7,373,464.16

Form 8868 (Rev 4-2008)

Page **2**

- If you are filing for an **Additional (Not Automatic) 3-Month Extension**, complete only **Part II** and check this box ☒ **X**
Note. Only complete Part II if you have already been granted an automatic 3-month extension on a previously filed Form 8868.
- If you are filing for an **Automatic 3-Month Extension**, complete only **Part I** (on page 1)

Part II		Additional (Not Automatic) 3-Month Extension of Time. You must file original and one copy.	
Type or print File by the extended due date for filing the return. See instructions.	Name of Exempt Organization Covenant Foundation, Inc		Employer identification number 74-2622129
	Number, street, and room or suite no. If a P.O. box, see instructions. 8122 Datapoint Dr., Ste 1000		For IRS use only
	City, town or post office, state, and ZIP code. For a foreign address, see instructions. San Antonio, TX 78229-3273		

Check type of return to be filed (File a separate application for each return)

- | | | | |
|--------------------------------------|--|--------------------------------------|------------------------------------|
| <input type="checkbox"/> Form 990 | <input checked="" type="checkbox"/> Form 990-PF | <input type="checkbox"/> Form 1041-A | <input type="checkbox"/> Form 6069 |
| <input type="checkbox"/> Form 990-BL | <input type="checkbox"/> Form 990-T (sec 401(a) or 408(a) trust) | <input type="checkbox"/> Form 4720 | <input type="checkbox"/> Form 8870 |
| <input type="checkbox"/> Form 990-EZ | <input type="checkbox"/> Form 990-T (trust other than above) | <input type="checkbox"/> Form 5227 | |

STOP! Do not complete Part II if you were not already granted an automatic 3-month extension on a previously filed Form 8868.• The books are in the care of Charles A StaffelTelephone No (210) 614-7051FAX No (210) 614-8276• If the organization does not have an office or place of business in the United States, check this box ☐

• If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) _____ If this is for the whole group, check this box ☐ If it is for part of the group, check this box ☐ and attach a list with the names and EINs of all members the extension is for

4 I request an additional 3-month extension of time until Nov 15, 20085 For calendar year 2007, or other tax year beginning _____, 20____, and ending _____, 20____.6 If this tax year is for less than 12 months, check reason: ☐ Initial return ☐ Final return ☐ Change in accounting period

7 State in detail why you need the extension Accountant has not had sufficient time to summarize the data and prepare the return. Additional time is requested to prepare an accurate return.

8a If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions	8a	\$	8,661.
b If this application is for Form 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit and any amount paid previously with Form 8868	8b	\$	11,419.
c Balance Due. Subtract line 8b from line 8a. Include your payment with this form, or, if required, deposit with FTD coupon or, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions	8c	\$	0.

Signature and Verification

Under penalties of perjury, I declare that I have examined this form, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete, and that I am authorized to prepare this form

Signature

Symette BurchTitle CPA

Date

8/12/08Form **8868** (Rev 4-2008)

Response on 2nd extension request to Nov 15, 2008 had not been received as of the date of signing.