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Form 990

Department of the Treasury
Internal Revenue Service

Return of Organization Exempt From Income Tax

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung
benefit trust or private foundation)

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

OMB No. 1545-0047

2010

Open to Public
Inspection

A For the 2010 calendar year, or tax year beginning 07/01/10, and ending 06/30/11

B Check if applicable

Address change
 Name change
 Initial return
 Terminated
 Amended return
 Application pending

C Name of organization

EAST CULLMAN WATER SYSTEM INC

Doing Business As

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

64 WESLEY AVENUE N

D Employer identification number

63-0595985

City or town, state or country, and ZIP + 4

CULLMAN AL 35058-1493

E Telephone number

256-796-5828

G Gross receipts \$

2,163,101

F Name and address of principal officer

H(a) Is this a group return for affiliates? Yes NoH(b) Are all affiliates included? Yes No

If "No," attach a list (see instructions)

I Tax-exempt status 501(c)(3) 501(c) (12) (insert no) 4947(a)(1) or 527

J Website: ► N/A

K Form of organization Corporation Trust Association Other ►

L Year of formation

M State of legal domicile

Part I Summary

1 Briefly describe the organization's mission or most significant activities

TO PROVIDE WATER SERVICE TO APPROX. 3900 MEMBERS LOCATED IN THE EASTERN
PORTION OF CULLMAN COUNTY, ALABAMA.2 Check this box ► if the organization discontinued its operations or disposed of more than 25% of its net assets

3 Number of voting members of the governing body (Part VI, line 1a)

4 Number of independent voting members of the governing body (Part VI, line 1b)

5 Total number of individuals employed in calendar year 2010 (Part V, line 2a)

6 Total number of volunteers (estimate if necessary)

7a Total unrelated business revenue from Part VIII, column (C), line 12

b Net unrelated business taxable income from Form 990-T, line 34

3	5
4	5
5	6
6	0
7a	
7b	0

Activities & Governance

Revenue

Expenses

Net Assets or
Fund Balances

FEB

Sign
Here

Paid

Preparer

Use Only

8 Contributions and grants (Part VIII, line 1h)

9 Program service revenue (Part VIII, line 2g)

10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)

11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)

12 Total revenue – add lines 8 through 11 (must equal Part VIII, column (A), line 12)

13 Grants and similar amounts paid (Part IX, column (A), lines 1-3)

14 Benefits paid to or for members (Part IX, column (A), line 4)

15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)

16a Professional fundraising fees (Part IX, column (A), line 11e)

b Total fundraising expenses (Part IX, column (D), line 25)

17 Other expenses (Part IX, column (A), lines 11a-11d, 11f-24)

18 Total expenses Add lines 13-17 (must equal Part IX, column (A), line 25)

19 Revenue less expenses Subtract line 18 from line 12

20 Total assets (Part X, line 16)

21 Total liabilities (Part X, line 26)

22 Net assets or fund balances Subtract line 21 from line 20

Prior Year	Current Year
7,378	20,891
883,170	1,108,917
890,548	1,129,808
337,167	353,774
541,673	531,659
878,840	885,433
11,708	244,375
Beginning of Current Year	End of Year
5,509,926	5,410,402
2,063,040	1,719,141
3,446,886	3,691,261

2012

Net Assets or
Fund Balances

2012

FEB

2012

Net Assets or
Fund Balances

2012

FEB

2012

Net Assets or
Fund Balances

2012

FEB

2012

Signature of officer

LEON CREEL

Date

11/18/2012

CHAIRMAN

Type or print name and title

Print/Type preparer's name JEB WILLIAMSON	Preparer's signature JEB WILLIAMSON	Date 01/06/12	Check <input type="checkbox"/> if self-employed	PTIN P00449721
Firm's name ► JEB WILLIAMSON, CPA, LLC		Firm's EIN ►	20-1475928	
Firm's address ► 418 1ST AVE SE CULLMAN, AL 35055-3405		Phone no	256-734-7393	

May the IRS discuss this return with the preparer shown above? (see instructions)

For Paperwork Reduction Act Notice, see the separate instructions.

DAA

X Yes No

Form 990 (2010)

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Part III Statement of Program Service Accomplishments

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

1 Briefly describe the organization's mission

TO PROVIDE WATER SERVICE TO APPROX. 3900 MEMBERS LOCATED IN THE EASTERN PORTION OF CULLMAN COUNTY, ALABAMA.

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ?

 Yes No

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

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services?

 Yes No

If "Yes," describe these changes on Schedule O

4 Describe the exempt purpose achievements for each of the organization's three largest program services by expenses Section 501(c)(3) and 501(c)(4) organizations and section 4947(a)(1) trusts are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported

4a (Code) (Expenses \$ including grants of \$) (Revenue \$)
PROVIDED WATER SERVICE TO APPROX. 3900 MEMBERS LOCATED IN THE EASTERN PORTION OF CULLMAN COUNTY, ALABAMA.

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

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

4d Other program services (Describe in Schedule O)

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

4e Total program service expenses ►

Part IV Checklist of Required Schedules

1 Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? If "Yes," complete Schedule A

2 Is the organization required to complete Schedule B, Schedule of Contributors? (see instructions)

3 Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? If "Yes," complete Schedule C, Part I

4 **Section 501(c)(3) organizations.** Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? If "Yes," complete Schedule C, Part II

5 Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? If "Yes," complete Schedule C, Part III

6 Did the organization maintain any donor advised funds or any similar funds or accounts where donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? If "Yes," complete Schedule D, Part I

7 Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? If "Yes," complete Schedule D, Part II

8 Did the organization maintain collections of works of art, historical treasures, or other similar assets? If "Yes," complete Schedule D, Part III

9 Did the organization report an amount in Part X, line 21, serve as a custodian for amounts not listed in Part X, or provide credit counseling, debt management, credit repair, or debt negotiation services? If "Yes," complete Schedule D, Part IV

10 Did the organization, directly or through a related organization, hold assets in term, permanent, or quasi-endowments? If "Yes," complete Schedule D, Part V

11 If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable.

a Did the organization report an amount for land, buildings, and equipment in Part X, line 10? If "Yes," complete Schedule D, Part VI

b Did the organization report an amount for investments—other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VII

c Did the organization report an amount for investments—program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VIII

d Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part IX

e Did the organization report an amount for other liabilities in Part X, line 25? If "Yes," complete Schedule D, Part X

f Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? If "Yes," complete Schedule D, Part X

12a Did the organization obtain separate, independent audited financial statements for the tax year? If "Yes," complete Schedule D, Parts XI, XII, and XIII

b Was the organization included in consolidated, independent audited financial statements for the tax year? If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI, XII, and XIII is optional

13 Is the organization a school described in section 170(b)(1)(A)(ii)? If "Yes," complete Schedule E

14a Did the organization maintain an office, employees, or agents outside of the United States?

b Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, and program service activities outside the United States? If "Yes," complete Schedule F, Parts I and IV

15 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or assistance to any organization or entity located outside the United States? If "Yes," complete Schedule F, Parts II and IV

16 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or assistance to individuals located outside the United States? If "Yes," complete Schedule F, Parts III and IV

17 Did the organization report a total of more than \$15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? If "Yes," complete Schedule G, Part I (see instructions)

18 Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? If "Yes," complete Schedule G, Part II

19 Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? If "Yes," complete Schedule G, Part III

20a Did the organization operate one or more hospitals? If "Yes," complete Schedule H

b If "Yes" to line 20a, did the organization attach its audited financial statements to this return? **Note.** Some Form 990 filers that operate one or more hospitals must attach audited financial statements (see instructions)

	Yes	No
1		X
2		X
3		X
4		
5		X
6		X
7		X
8		X
9		X
10		X
11a	X	
11b		X
11c		X
11d		X
11e	X	
11f		X
12a	X	
12b		X
13		X
14a		X
14b		X
15		X
16		X
17		X
18		X
19		X
20a		X
20b		

Part IV Checklist of Required Schedules (continued)

21 Did the organization report more than \$5,000 of grants and other assistance to governments and organizations in the United States on Part IX, column (A), line 1? If "Yes," complete Schedule I, Parts I and II

22 Did the organization report more than \$5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? If "Yes," complete Schedule I, Parts I and III

23 Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? If "Yes," complete Schedule J

24a Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25

b Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?

c Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?

d Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?

25a **Section 501(c)(3) and 501(c)(4) organizations.** Did the organization engage in an excess benefit transaction with a disqualified person during the year? If "Yes," complete Schedule L, Part I

b Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? If "Yes," complete Schedule L, Part I

26 Was a loan to or by a current or former officer, director, trustee, key employee, highly compensated employee, or disqualified person outstanding as of the end of the organization's tax year? If "Yes," complete Schedule L, Part II

27 Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor, or a grant selection committee member, or to a person related to such an individual? If "Yes," complete Schedule L, Part III

28 Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions)

a A current or former officer, director, trustee, or key employee? If "Yes," complete Schedule L, Part IV

b A family member of a current or former officer, director, trustee, or key employee? If "Yes," complete Schedule L, Part IV

c An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? If "Yes," complete Schedule L, Part IV

29 Did the organization receive more than \$25,000 in non-cash contributions? If "Yes," complete Schedule M

30 Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? If "Yes," complete Schedule M

31 Did the organization liquidate, terminate, or dissolve and cease operations? If "Yes," complete Schedule N, Part I

32 Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? If "Yes," complete Schedule N, Part II

33 Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301 7701-2 and 301 7701-3? If "Yes," complete Schedule R, Part I

34 Was the organization related to any tax-exempt or taxable entity? If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1

35 Is any related organization a controlled entity within the meaning of section 512(b)(13)?

a Did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? If "Yes," complete Schedule R, Part V, line 2

36 **Section 501(c)(3) organizations.** Did the organization make any transfers to an exempt non-charitable related organization? If "Yes," complete Schedule R, Part V, line 2

37 Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? If "Yes," complete Schedule R, Part VI

38 Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11 and 19? **Note.** All Form 990 filers are required to complete Schedule O

	Yes	No
21		X
22		X
23		X
24a	X	
24b		X
24c		X
24d		X
25a		
25b		
26		X
27		X
28a		X
28b		X
28c		X
29		X
30		X
31		X
32		X
33		X
34		X
35		X
	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
36		
37		X
38	X	

Part V Statements Regarding Other IRS Filings and Tax Compliance
 Check if Schedule O contains a response to any question in this Part V

1a Enter the number reported in Box 3 of Form 1096 Enter -0- if not applicable 1a 6
 1b Enter the number of Forms W-2G included in line 1a Enter -0- if not applicable 1b 0

1c 1c X

2a Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return 2a 6
 2b 2b X

3a Did the organization have unrelated business gross income of \$1,000 or more during the year? 3a
 3b 3b

4a At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)? 4a X
 4b If "Yes," enter the name of the foreign country ►
 See instructions for filing requirements for Form TD F 90-22 1, Report of Foreign Bank and Financial Accounts 4b

5a Was the organization a party to a prohibited tax shelter transaction at any time during the tax year? 5a X
 5b Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction? 5b X
 5c 5c

6a Does the organization have annual gross receipts that are normally greater than \$100,000, and did the organization solicit any contributions that were not tax deductible? 6a X
 6b 6b

7 **Organizations that may receive deductible contributions under section 170(c).**
 7a 7a
 7b 7b
 7c 7c
 7d 7d
 7e 7e
 7f 7f
 7g 7g
 7h 7h

8 **Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations.** Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year? 8

9 **Sponsoring organizations maintaining donor advised funds.**
 9a 9a
 9b 9b

10 **Section 501(c)(7) organizations.** Enter
 10a Initiation fees and capital contributions included on Part VIII, line 12 10a
 10b Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities 10b

11 **Section 501(c)(12) organizations.** Enter
 11a Gross income from members or shareholders 11a 2,142,210
 11b Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them.) 11b 3,391

12a **Section 4947(a)(1) non-exempt charitable trusts.** Is the organization filing Form 990 in lieu of Form 1041? 12a
 12b If "Yes," enter the amount of tax-exempt interest received or accrued during the year 12b

13 **Section 501(c)(29) qualified nonprofit health insurance issuers.**
 13a Is the organization licensed to issue qualified health plans in more than one state?
 Note. See the instructions for additional information the organization must report on Schedule O 13a
 13b Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans 13b
 13c Enter the amount of reserves on hand 13c

14a Did the organization receive any payments for indoor tanning services during the tax year? 14a
 14b If "Yes," has it filed a Form 720 to report these payments? If "No," provide an explanation in Schedule O 14b X

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

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

Section A. Governing Body and Management

1a Enter the number of voting members of the governing body at the end of the tax year **5**
 1b Enter the number of voting members included in line 1a, above, who are independent **5**

2 Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee? **X**

3 Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person? **X**

4 Did the organization make any significant changes to its governing documents since the prior Form 990 was filed? **X**

5 Did the organization become aware during the year of a significant diversion of the organization's assets? **X**

6 Does the organization have members or stockholders? **X**

7a Does the organization have members, stockholders, or other persons who may elect one or more members of the governing body? **X**
 b Are any decisions of the governing body subject to approval by members, stockholders, or other persons? **X**

8 Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following
 a The governing body? **X**
 b Each committee with authority to act on behalf of the governing body? **X**
 9 Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O **X**

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

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

10a Does the organization have local chapters, branches, or affiliates? **X**
 b If "Yes," does the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with those of the organization? **X**

11a Has the organization provided a copy of this Form 990 to all members of its governing body before filing the form? **X**
 b Describe in Schedule O the process, if any, used by the organization to review this Form 990

12a Does the organization have a written conflict of interest policy? If "No," go to line 13
 b Are officers, directors or trustees, and key employees required to disclose annually interests that could give rise to conflicts? **X**
 c Does the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this is done

13 Does the organization have a written whistleblower policy? **X**

14 Does the organization have a written document retention and destruction policy? **X**

15 Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?
 a The organization's CEO, Executive Director, or top management official **X**
 b Other officers or key employees of the organization
 If "Yes" to line 15a or 15b, describe the process in Schedule O (See instructions)

16a Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year? **X**
 b If "Yes," has the organization adopted a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and taken steps to safeguard the organization's exempt status with respect to such arrangements? **X**

	Yes	No
10a		X
10b		
11a	X	
12a		X
12b		
12c		
13		X
14		X
15a		X
15b		X
16a		X
16b		

Section C. Disclosure

17 List the states with which a copy of this Form 990 is required to be filed ► **NONE**

18 Section 6104 requires an organization to make its Forms 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection. Indicate how you make these available. Check all that apply
 Own website Another's website Upon request

19 Describe in Schedule O whether (and if so, how), the organization makes its governing documents, conflict of interest policy, and financial statements available to the public

20 State the name, physical address, and telephone number of the person who possesses the books and records of the organization ► **EAST CULLMAN WATER SYSTEM, INC.** **64 WESLEY AVE N**

CULLMAN

AL 35058

256-796-5828

Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

 Check if Schedule O contains a response to any question in this Part VII
Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

1a Complete this table for all persons required to be listed Report compensation for the calendar year ending with or within the organization's tax year

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation Enter -0- in columns (D), (E), and (F) if no compensation was paid

- List all of the organization's **current** key employees, if any See instructions for definition of "key employee "
- List the organization's **five current** highest compensated employees (other than an officer, director, trustee, or key employee)

who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than \$100,000 from the organization and any related organizations

- List all of the organization's **former** officers, key employees, and highest compensated employees who received more than \$100,000 of reportable compensation from the organization and any related organizations

- List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than \$10,000 of reportable compensation from the organization and any related organizations

List persons in the following order individual trustees or directors, institutional trustees, officers, key employees, highest compensated employees, and former such persons

Check this box if neither the organization nor any related organizations compensated any current officer, director, or trustee

(A) Name and Title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(C) Position (check all that apply)				(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations	
		Individual trustee or director	Institutional trustee	Officer	Key employee				
(1) LEON CREEL DIR/CHAIRMAN	2.00	X		X			0	0	0
(2) KEITH SMITH DIR/V.CHAIR	1.00	X					0	0	0
(3) TERRY BENTLEY DIRECTOR	1.00	X					0	0	0
(4) ANDREW CHAMBERS DIRECTOR	1.00	X					0	0	0
(5) HUGH HARRIS SEC/TREAS	3.00		X				2,400	0	0
(6)									
(7)									
(8)									
(9)									
(10)									
(11)									
(12)									
(13)									
(14)									
(15)									
(16)									

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

(A) Name and Title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(C) Position (check all that apply)				(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations	
		Former Officer or director	Individual trustee or director	Institutional trustee	Key employee	Highest compensated employee			
(17)									
(18)									
(19)									
(20)									
(21)									
(22)									
(23)									
(24)									
(25)									
(26)									
(27)									
(28)									
1b Sub-total						► 2,400			
c Total from continuation sheets to Part VII, Section A						►			
d Total (add lines 1b and 1c)						► 2,400			

2 Total number of individuals (including but not limited to those listed above) who received more than \$100,000 in reportable compensation from the organization ► 0

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

Section B. Independent Contractors

1 Complete this table for your five highest compensated independent contractors that received more than \$100,000 of compensation from the organization

(A) Name and business address	(B) Description of services	(C) Compensation

2 Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 in compensation from the organization ►

0

Part VIII Statement of Revenue

		(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514
Contributions, gifts, grants and other similar amounts					
1a Federated campaigns	1a				
b Membership dues	1b				
c Fundraising events	1c				
d Related organizations	1d				
e Government grants (contributions)	1e				
f All other contributions, gifts, grants, and similar amounts not included above	1f				
g Noncash contributions included in lines 1a-1f		\$			
h Total. Add lines 1a-1f		►			
Program Service Revenue		Busn. Code			
2a					
b					
c					
d					
e					
f All other program service revenue					
g Total. Add lines 2a-2f		►			
3 Investment income (including dividends, interest, and other similar amounts)		►	3,391		3,391
4 Income from investment of tax-exempt bond proceeds		►			
5 Royalties		►			
6a Gross Rents	(i) Real	(ii) Personal			
b Less rental exps					
c Rental inc or (loss)					
d Net rental income or (loss)		►			
7a Gross amount from sales of assets other than inventory	(i) Securities	(ii) Other			
b Less cost or other basis & sales exps		17,500			
c Gain or (loss)		17,500			
d Net gain or (loss)		►	17,500	17,500	
8a Gross income from fundraising events (not including \$ of contributions reported on line 1c) See Part IV, line 18	a				
b Less direct expenses	b				
c Net income or (loss) from fundraising events		►			
9a Gross income from gaming activities See Part IV, line 19	a				
b Less direct expenses	b				
c Net income or (loss) from gaming activities		►			
10a Gross sales of inventory, less returns and allowances	a	2,142,210			
b Less cost of goods sold	b	1,033,293			
c Net income or (loss) from sales of inventory		►	1,108,917	1,108,917	
Miscellaneous Revenue	Busn. Code				
11a					
b					
c					
d All other revenue					
e Total. Add lines 11a-11d		►	1,129,808	1,126,417	0
12 Total revenue. See instructions		►			3,391

Part IX Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns
 All other organizations must complete column (A) but are not required to complete columns (B), (C), and (D)

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to governments and organizations in the U S See Part IV, line 21				
2 Grants and other assistance to individuals in the U S See Part IV, line 22				
3 Grants and other assistance to governments, organizations, and individuals outside the U S See Part IV, lines 15 and 16				
4 Benefits paid to or for members				
5 Compensation of current officers, directors, trustees, and key employees	2 , 400			
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
7 Other salaries and wages	243 , 760			
8 Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	24 , 778			
9 Other employee benefits	62 , 773			
10 Payroll taxes	20 , 063			
11 Fees for services (non-employees)				
a Management				
b Legal	2 , 510			
c Accounting	12 , 645			
d Lobbying				
e Professional fundraising services See Part IV, line 17				
f Investment management fees				
g Other				
12 Advertising and promotion				
13 Office expenses				
14 Information technology				
15 Royalties				
16 Occupancy				
17 Travel	13 , 551			
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings	5 , 679			
20 Interest	92 , 333			
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	261 , 636			
23 Insurance				
24 Other expenses Itemize expenses not covered above (List miscellaneous expenses in line 24f. If line 24f amount exceeds 10% of line 25, column (A) amount, list line 24f expenses on Schedule O.)				
a METER READING CONTRACT	47 , 007			
b BILLING EXPENSES	27 , 969			
c INSURANCE & BONDS	27 , 895			
d UTILITIES	11 , 435			
e TELEPHONE & COMMUNICATION	10 , 581			
f All other expenses	18 , 418			
25 Total functional expenses. Add lines 1 through 24f	885 , 433	0	0	0
26 Joint costs. Check here ► <input type="checkbox"/> if following SOP 98-2 (ASC 958-720) Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation				

Part X Balance Sheet

		(A) Beginning of year		(B) End of year
Assets	1 Cash—non-interest bearing	151,573	1	319,977
	2 Savings and temporary cash investments	644,548	2	573,933
	3 Pledges and grants receivable, net		3	
	4 Accounts receivable, net	256,150	4	235,800
	5 Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L		5	
	6 Receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions)		6	
	7 Notes and loans receivable, net		7	
	8 Inventories for sale or use	28,085	8	36,050
	9 Prepaid expenses and deferred charges	11,441	9	11,103
	10a Land, buildings, and equipment cost or other basis Complete Part VI of Schedule D	8,315,081		
	b Less accumulated depreciation	4,158,213	10c	4,156,868
	11 Investments—publicly traded securities		11	
	12 Investments—other securities See Part IV, line 11		12	
	13 Investments—program-related See Part IV, line 11		13	
	14 Intangible assets	86,329	14	74,819
Liabilities	15 Other assets See Part IV, line 11	2,211	15	1,852
	16 Total assets. Add lines 1 through 15 (must equal line 34)	5,509,926	16	5,410,402
	17 Accounts payable and accrued expenses	186,001	17	117,738
	18 Grants payable		18	
	19 Deferred revenue		19	
Net Assets or Fund Balances	20 Tax-exempt bond liabilities	1,155,000	20	1,030,000
	21 Escrow or custodial account liability Complete Part IV of Schedule D		21	
	22 Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons Complete Part II of Schedule L		22	
	23 Secured mortgages and notes payable to unrelated third parties	879,073	23	707,366
	24 Unsecured notes and loans payable to unrelated third parties		24	
	25 Other liabilities Complete Part X of Schedule D	-157,034	25	-135,963
	26 Total liabilities. Add lines 17 through 25	2,063,040	26	1,719,141
	Organizations that follow SFAS 117, check here ► <input type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.			
	27 Unrestricted net assets		27	
	28 Temporarily restricted net assets		28	
	29 Permanently restricted net assets		29	
	Organizations that do not follow SFAS 117, check here ► <input checked="" type="checkbox"/> and complete lines 30 through 34.			
	30 Capital stock or trust principal, or current funds		30	
	31 Paid-in or capital surplus, or land, building, or equipment fund	2,514,059	31	2,608,751
	32 Retained earnings, endowment, accumulated income, or other funds	932,827	32	1,082,510
	33 Total net assets or fund balances	3,446,886	33	3,691,261
	34 Total liabilities and net assets/fund balances	5,509,926	34	5,410,402

Part XI Reconciliation of Net AssetsCheck if Schedule O contains a response to any question in this Part XI

1 Total revenue (must equal Part VIII, column (A), line 12)	1	1,129,808
2 Total expenses (must equal Part IX, column (A), line 25)	2	885,433
3 Revenue less expenses Subtract line 2 from line 1	3	244,375
4 Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	3,446,886
5 Other changes in net assets or fund balances (explain in Schedule O)	5	
6 Net assets or fund balances at end of year Combine lines 3, 4, and 5 (must equal Part X, line 33, column (B))	6	3,691,261

Part XII Financial Statements and ReportingCheck if Schedule O contains a response to any question in this Part XII

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

**SCHEDULE D
(Form 990)**Department of the Treasury
Internal Revenue Service**Supplemental Financial Statements**

► Complete if the organization answered "Yes," to Form 990,

Part IV, line 6, 7, 8, 9, 10, 11, or 12.

► Attach to Form 990. ► See separate instructions.

OMB No 1545-0047

2010Open to Public
Inspection

Name of the organization

Employer identification number

EAST CULLMAN WATER SYSTEM INC**63-0595985****Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts.** Complete if the organization answered "Yes" to Form 990, Part IV, line 6.

	(a) Donor advised funds	(b) Funds and other accounts
1 Total number at end of year		
2 Aggregate contributions to (during year)		
3 Aggregate grants from (during year)		
4 Aggregate value at end of year		

5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds can be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit?	<input type="checkbox"/> Yes	<input type="checkbox"/> No

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

1 Purpose(s) of conservation easements held by the organization (check all that apply)	<input type="checkbox"/> Preservation of land for public use (e.g., recreation or education)	<input type="checkbox"/> Preservation of an historically important land area
	<input type="checkbox"/> Protection of natural habitat	<input type="checkbox"/> Preservation of a certified historic structure
	<input type="checkbox"/> Preservation of open space	
2 Complete lines 2a through 2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year		
		Held at the End of the Tax Year
a Total number of conservation easements	2a	
b Total acreage restricted by conservation easements	2b	
c Number of conservation easements on a certified historic structure included in (a)	2c	
d Number of conservation easements included in (c) acquired after 8/17/06, and not on a historic structure listed in the National Register	2d	

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

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

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

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

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

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

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

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

1a If the organization elected, as permitted under SFAS 116 (ASC 958), not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide, in Part XIV, the text of the footnote to its financial statements that describes these items

b If the organization elected, as permitted under SFAS 116 (ASC 958), to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items

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

► \$

(ii) Assets included in Form 990, Part X

► \$

2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 (ASC 958) relating to these items

a Revenues included in Form 990, Part VIII, line 1

► \$

b Assets included in Form 990, Part X

► \$

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

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

a <input type="checkbox"/> Public exhibition	d <input type="checkbox"/> Loan or exchange programs
b <input type="checkbox"/> Scholarly research	e <input type="checkbox"/> Other
c <input type="checkbox"/> Preservation for future generations	

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

5 During the year, did the organization solicit or receive donations of art, historical treasures, or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection?

Yes No

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

1a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X?

Yes No

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

c Beginning balance
d Additions during the year
e Distributions during the year
f Ending balance

	Amount
1c	
1d	
1e	
1f	

2a Did the organization include an amount on Form 990, Part X, line 21?

Yes No

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

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

1a Beginning of year balance
b Contributions
c Net investment earnings, gains, and losses
d Grants or scholarships
e Other expenditures for facilities and programs
f Administrative expenses
g End of year balance

	(a) Current year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1a					
b					
c					
d					
e					
f					
g					

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

a Board designated or quasi-endowment ► %
b Permanent endowment ► %
c Term endowment ► %

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

(i) unrelated organizations
(ii) related organizations

	Yes	No
3a(i)		
3a(ii)		
3b		

b If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R?

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

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

Description of investment	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land		73,435		73,435
b Buildings		225,989	132,317	93,672
c Leasehold improvements				
d Equipment	8,015,657	4,025,896		3,989,761
e Other				
Total. Add lines 1a through 1e (Column (d) must equal Form 990, Part X, column (B), line 10(c))			►	4,156,868

Part VII Investments—Other Securities. See Form 990, Part X, line 12.

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation Cost or end-of-year market value
(1) Financial derivatives		
(2) Closely-held equity interests		
(3) Other		
(A)		
(B)		
(C)		
(D)		
(E)		
(F)		
(G)		
(H)		
(I)		

Total. (Column (b) must equal Form 990, Part X, col. (B) line 12) ►

Part VIII Investments—Program Related. See Form 990, Part X, line 13.

(a) Description of investment type	(b) Book value	(c) Method of valuation Cost or end-of-year market value
(1)		
(2)		
(3)		
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
(10)		

Total. (Column (b) must equal Form 990, Part X, col. (B) line 13) ►

Part IX Other Assets. See Form 990, Part X, line 15.

(a) Description	(b) Book value
(1)	
(2)	
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
(10)	

Total. (Column (b) must equal Form 990, Part X, col. (B) line 15) ►

Part X Other Liabilities. See Form 990, Part X, line 25.

(a) Description of liability	(b) Amount
(1) Federal income taxes	
(2) METER READER DEPOSIT	1,000
(3) PRIOR BOND ISSUANCE COSTS (NET)	-136,963
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
(10)	
(11)	

Total. (Column (b) must equal Form 990, Part X, col. (B) line 25) ► -135,963

2. FIN 48 (ASC 740) Footnote In Part XIV, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48 (ASC 740)

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

1 Total revenue (Form 990, Part VIII, column (A), line 12)	1	1,129,808
2 Total expenses (Form 990, Part IX, column (A), line 25)	2	885,433
3 Excess or (deficit) for the year Subtract line 2 from line 1	3	244,375
4 Net unrealized gains (losses) on investments	4	
5 Donated services and use of facilities	5	
6 Investment expenses	6	
7 Prior period adjustments	7	
8 Other (Describe in Part XIV)	8	
9 Total adjustments (net) Add lines 4 through 8	9	
10 Excess or (deficit) for the year per audited financial statements Combine lines 3 and 9	10	244,375

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

1 Total revenue, gains, and other support per audited financial statements	1	1,129,808
2 Amounts included on line 1 but not on Form 990, Part VIII, line 12		
a Net unrealized gains on investments	2a	
b Donated services and use of facilities	2b	
c Recoveries of prior year grants	2c	
d Other (Describe in Part XIV)	2d	
e Add lines 2a through 2d	2e	
3 Subtract line 2e from line 1	3	1,129,808
4 Amounts included on Form 990, Part VIII, line 12, but not on line 1:		
a Investment expenses not included on Form 990, Part VIII, line 7b	4a	
b Other (Describe in Part XIV)	4b	
c Add lines 4a and 4b	4c	
5 Total revenue Add lines 3 and 4c. (This must equal Form 990, Part I, line 12)	5	1,129,808

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

1 Total expenses and losses per audited financial statements	1	885,433
2 Amounts included on line 1 but not on Form 990, Part IX, line 25		
a Donated services and use of facilities	2a	
b Prior year adjustments	2b	
c Other losses	2c	
d Other (Describe in Part XIV)	2d	
e Add lines 2a through 2d	2e	
3 Subtract line 2e from line 1	3	885,433
4 Amounts included on Form 990, Part IX, line 25, but not on line 1:		
a Investment expenses not included on Form 990, Part VIII, line 7b	4a	
b Other (Describe in Part XIV)	4b	
c Add lines 4a and 4b	4c	
5 Total expenses Add lines 3 and 4c. (This must equal Form 990, Part I, line 18)	5	885,433

Part XIV Supplemental Information

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

Part XIV Supplemental Information (continued)

SCHEDULE K
(Form 990)

OMB No 1545-0047

2010

Department of the Treasury
Internal Revenue Service

Supplemental Information on Tax-Exempt Bonds

► Complete if the organization answered "Yes" to Form 990, Part IV, line 24a. Provide descriptions, explanations, and any additional information in Part V.

► Attach to Form 990.

► See separate instructions.

Name of the organization

EAST CULLMAN WATER SYSTEM INC

Open to Public
Inspection

Employer identification number

63-0595985

Part I Bond Issues

(a) Issuer name	(b) Issuer EIN	(c) CUSIP #	(d) Date issued	(e) Issue price	(f) Description of purpose	(g) Defeased	(h) On behalf of issuer	(i) Pooled financing
						Yes	No	Yes
						X	X	X
A GUSC SERIES 2009-A		305670BD2	11/24/09	1,277,501	REFUND SERIES 2000-A			
B								
C								
D								

Part II Proceeds

	A	B	C	D
1 Amount of bonds retired				
2 Amount of bonds legally defeased				
3 Total proceeds of issue		1,030,000		
4 Gross proceeds in reserve funds				
5 Capitalized interest from proceeds				
6 Proceeds in refunding escrows				
7 Issuance costs from proceeds		49,572		
8 Credit enhancement from proceeds				
9 Working capital expenditures from proceeds				
10 Capital expenditures from proceeds				
11 Other spent proceeds				
12 Other unspent proceeds				
13 Year of substantial completion		1992		
	Yes	No	Yes	No
14 Were the bonds issued as part of a current refunding issue?		X		
15 Were the bonds issued as part of an advance refunding issue?		X		
16 Has the final allocation of proceeds been made?		X		
17 Does the organization maintain adequate books and records to support the final allocation of proceeds?		X		

Part III Private Business Use

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

Part III Private Business Use (Continued)

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

Part IV Arbitrage

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

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

SCHEDULE O
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

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

OMB No 1545-0047

2010

Open to Public
Inspection

Name of the organization

EAST CULLMAN WATER SYSTEM INC

Employer identification number
63-0595985

FORM 990, PART III, LINE 4D - ALL OTHER ACHIEVEMENTS

**PROVIDED WATER SERVICE TO APPROX. 3900 MEMBERS LOCATED IN THE
EASTERN PORTION OF CULLMAN COUNTY, ALABAMA.**

**FORM 990, PART VI, LINE 6 - CLASSES OF MEMBERS OR STOCKHOLDERS
ALL WATER CUSTOMERS ARE THE SYSTEM'S MEMBERS**

**FORM 990, PART VI, LINE 7A - ELECTION OF MEMBERS AND THEIR RIGHTS
BOARD OF DIRECTORS ARE ELECTED BY THE MEMBERS**

**FORM 990, PART VI, LINE 7B - DECISIONS SUBJECT TO APPROVAL OF MEMBERS
MEMBERS MUST VOTE ON CERTAIN DECISIONS OF THE BOARD PER THE BYLAWS.**

**FORM 990, PART VI, LINE 11B - ORGANIZATION'S PROCESS TO REVIEW FORM 990
REVIEWED AT BOARD MEETING**

**FORM 990, PART VI, LINE 19 - GOVERNING DOCUMENTS DISCLOSURE EXPLANATION
DOCUMENTS ARE AVAILABLE AT OFFICE AND ARE PROVIDED UPON REQUEST.**

Forms
990 / 990-PF**Mortgages and Other Notes Payable****2010**For calendar year 2010, or tax year beginning **07/01/10**, and ending **06/30/11**

Name

EAST CULLMAN WATER SYSTEM INC

Employer Identification Number

63-0595985**FORM 990, PART X, LINE 23 - ADDITIONAL INFORMATION**

Name of lender		Relationship to disqualified person
(1) BERKADIA COMMERCIAL MORTGAGE		
(2) GUSC SERIES 2009-B		
(3) GARDNYR MICHEAL CAPITAL		
(4) ALLY		
(5)		
(6)		
(7)		
(8)		
(9)		
(10)		

Original amount borrowed	Date of loan	Maturity date	Repayment terms	Interest rate
(1) 1,580,000	VARIOUS	VARIOUS	MONTHLY P+I PAYMENTS	5.000
(2) 510,000	11/01/09	02/01/20	MONTHLY P+I PMT TO TRUSTEE	
(3) 87,972	02/01/10	08/01/10	LUMP SUM PRINCIPAL ONLY	0.000
(4) 7,000	04/12/11	04/12/14	MONTHLY P & I PAYMENTS	7.440
(5)				
(6)				
(7)				
(8)				
(9)				
(10)				

Security provided by borrower		Purpose of loan
(1)		WATER SYSTEM IMPROVEMENTS
(2)		REFUND SERIES 2000-B
(3)		WORKING CAPITAL
(4) 2011 CHEVROLET SILVERADO TRUCK		PURCHASE TRUCK
(5)		
(6)		
(7)		
(8)		
(9)		
(10)		

Consideration furnished by lender	Balance due at beginning of year	Balance due at end of year
(1)	316,101	260,708
(2)	475,000	440,000
(3)	87,972	
(4)		6,658
(5)		
(6)		
(7)		
(8)		
(9)		
(10)		
Totals	879,073	707,366

Tax-Exempt Bond Liabilities

Form **990**

2010

For calendar year 2010, or tax year beginning

07/01/10

, and ending **06/30/11**

Name

EAST CULLMAN WATER SYSTEM INC

Employer Identification Number

63-0595985

FORM 990, PART X, LINE 20 - ADDITIONAL INFORMATION

Name of lender		Purpose of issue
(1) GUSC SERIES 2009-A		REFUND SERIES 2000-A
(2)		
(3)		
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
(10)		

Issue date	Original amount of issue	Form 8038 filed Y/N	Date filed	Date retired	Completion date of project	Unexpended bond proceeds
(1) 11/24/09	1,277,501	Y	11/24/09	02/01/18	07/01/92	
(2)						
(3)						
(4)						
(5)						
(6)						
(7)						
(8)						
(9)						
(10)						

Third party use percent	Maturity date	Repayment terms	Interest rate
(1)	02/01/18	MONTHLY P+I PMT TO TRUSTEE	4.235
(2)			
(3)			
(4)			
(5)			
(6)			
(7)			
(8)			
(9)			
(10)			

Security provided by borrower	Amount outstanding at beginning of year	Amount outstanding at end of year
(1)	1,155,000	1,030,000
(2)		
(3)		
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
(10)		
Totals	1,155,000	1,030,000

AP and Accrued Expenses

Description	Amount
ACCOUNTS PAYABLE	\$ 157,593
STATES TAXES WITHHELD	2,324
FED & STATE UNEMPLOYMENT TAXES	6
EMPLOYEES HEALTH INS PAYABLE	257
ACCRUED INTEREST-GUSC 2009 BON	24,652
ACCRUED INTEREST-BERKADIA	1,169
TOTAL	\$ <u>186,001</u>

AP and Accrued Expenses

Description	Amount
ACCOUNTS PAYABLE	\$ 92,481
STATE TAXES WITHHELD	2,417
EMPLOYEES HEALTH INS PAYABLE	312
ACCRUED INTEREST-GUSC 2009 BON	22,515
TOTAL	\$ <u>117,725</u>

Depreciation and Amortization
(Including Information on Listed Property)

2010

Name(s) shown on return

EAST CULLMAN WATER SYSTEM INC

Identifying number
63-0595985

Business or activity to which this form relates

INDIRECT DEPRECIATION

Part I Election To Expense Certain Property Under Section 179

Note: If you have any listed property, complete Part V before you complete Part I.

1	Maximum amount (see instructions)	1	500,000
2	Total cost of section 179 property placed in service (see instructions)	2	
3	Threshold cost of section 179 property before reduction in limitation (see instructions)	3	2,000,000
4	Reduction in limitation Subtract line 3 from line 2 If zero or less, enter -0-	4	
5	Dollar limitation for tax year. Subtract line 4 from line 1 If zero or less, enter -0- If married filing separately, see instructions	5	
6	(a) Description of property	(b) Cost (business use only)	(c) Elected cost
7	Listed property Enter the amount from line 29	7	
8	Total elected cost of section 179 property Add amounts in column (c), lines 6 and 7	8	
9	Tentative deduction Enter the smaller of line 5 or line 8	9	
10	Carryover of disallowed deduction from line 13 of your 2009 Form 4562	10	
11	Business income limitation Enter the smaller of business income (not less than zero) or line 5 (see instructions)	11	
12	Section 179 expense deduction Add lines 9 and 10, but do not enter more than line 11	12	
13	Carryover of disallowed deduction to 2011 Add lines 9 and 10, less line 12	13	

Note: Do not use Part II or Part III below for listed property Instead, use Part V

Part II Special Depreciation Allowance and Other Depreciation (Do not include listed property.) (See instructions)

14	Special depreciation allowance for qualified property (other than listed property) placed in service during the tax year (see instructions)	14	
15	Property subject to section 168(f)(1) election	15	
16	Other depreciation (including ACRS)	16	250,125

Part III MACRS Depreciation (Do not include listed property) (See instructions.)

Section A

17	MACRS deductions for assets placed in service in tax years beginning before 2010	17	0
18	If you are electing to group any assets placed in service during the tax year into one or more general asset accounts, check here ►		

Section B—Assets Placed in Service During 2010 Tax Year Using the General Depreciation System

(a) Classification of property	(b) Month and year placed in service	(c) Basis for depreciation (business/investment use only—see instructions)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
19a 3-year property						
b 5-year property						
c 7-year property						
d 10-year property						
e 15-year property						
f 20-year property						
g 25-year property			25 yrs		S/L	
h Residential rental property			27 5 yrs	MM	S/L	
i Nonresidential real property			27 5 yrs	MM	S/L	
			39 yrs	MM	S/L	
				MM	S/L	

Section C—Assets Placed in Service During 2010 Tax Year Using the Alternative Depreciation System

20a Class life					S/L	
b 12-year			12 yrs		S/L	
c 40-year			40 yrs	MM	S/L	

Part IV Summary (See instructions.)

21	Listed property Enter amount from line 28	21	
22	Total. Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21 Enter here and on the appropriate lines of your return Partnerships and S corporations—see instructions	22	250,125
23	For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs	23	

For Paperwork Reduction Act Notice, see separate instructions.

DAA

Form 4562 (2010)

Part V Listed Property (Include automobiles, certain other vehicles, certain computers, and property used for entertainment, recreation, or amusement.)

Note: For any vehicle for which you are using the standard mileage rate or deducting lease expense, complete only 24a, 24b, columns (a) through (c) of Section A, all of Section B, and Section C if applicable

Section A—Depreciation and Other Information (Caution: See the instructions for limits for passenger automobiles.)

24a Do you have evidence to support the business/investment use claimed?					Yes	No	24b If "Yes," is the evidence written?		Yes	No
(a) Type of property (list vehicles first)	(b) Date placed in service	(c) Business/ investment use percentage	(d) Cost or other basis	(e) Basis for depreciation (business/investment use only)	(f) Recovery period	(g) Method/ Convention	(h) Depreciation deduction	(i) Elected section 179 cost		
25 Special depreciation allowance for qualified listed property placed in service during the tax year and used more than 50% in a qualified business use (see instructions)							25			
26 Property used more than 50% in a qualified business use										
			%							
			%							
27 Property used 50% or less in a qualified business use										
			%				S/L-			
			%				S/L-			
28 Add amounts in column (h), lines 25 through 27 Enter here and on line 21, page 1							28			
29 Add amounts in column (i), line 26 Enter here and on line 7, page 1								29		

Section B—Information on Use of Vehicles

Complete this section for vehicles used by a sole proprietor, partner, or other "more than 5% owner," or related person. If you provided vehicles to your employees, first answer the questions in Section C to see if you meet an exception to completing this section for those vehicles

30 Total business/investment miles driven during the year (do not include commuting miles) 31 Total commuting miles driven during the year 32 Total other personal (noncommuting) miles driven 33 Total miles driven during the year Add lines 30 through 32 34 Was the vehicle available for personal use during off-duty hours? 35 Was the vehicle used primarily by a more than 5% owner or related person? 36 Is another vehicle available for personal use?	(a) Vehicle 1		(b) Vehicle 2		(c) Vehicle 3		(d) Vehicle 4		(e) Vehicle 5		(f) Vehicle 6	
	Yes	No										

Section C—Questions for Employers Who Provide Vehicles for Use by Their Employees

Answer these questions to determine if you meet an exception to completing Section B for vehicles used by employees who are not more than 5% owners or related persons (see instructions)

37 Do you maintain a written policy statement that prohibits all personal use of vehicles, including commuting, by your employees? 38 Do you maintain a written policy statement that prohibits personal use of vehicles, except commuting, by your employees? See the instructions for vehicles used by corporate officers, directors, or 1% or more owners 39 Do you treat all use of vehicles by employees as personal use? 40 Do you provide more than five vehicles to your employees, obtain information from your employees about the use of the vehicles, and retain the information received? 41 Do you meet the requirements concerning qualified automobile demonstration use? (See instructions) Note: If your answer to 37, 38, 39, 40, or 41 is "Yes," do not complete Section B for the covered vehicles											Yes	No

Part VI Amortization

(a) Description of costs	(b) Date amortization begins	(c) Amortizable amount	(d) Code section	(e) Amortization period or percentage	(f) Amortization for this year
42 Amortization of costs that begins during your 2010 tax year (see instructions)					
43 Amortization of costs that began before your 2010 tax year					43
44 Total. Add amounts in column (f). See the instructions for where to report					44