

# 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)

**2006**

Open to Public Inspection

Department of the Treasury  
Internal Revenue Service

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

**A For the 2006 calendar year, or tax year beginning 2006, and ending 20**

**B Check if applicable**

- Address change
- Name change
- Initial return
- Final return
- Amended return
- Application pending

Please use IRS label or print or type. See Specific Instructions.	C Name of organization <b>EASTERN CATAWBA COOPERATIVE</b>		D Employer identification number <b>56-0946753</b>	
	Number and street (or P O box if mail is not delivered to street address) Room/suite <b>P O BOX 31</b>		E Telephone number <b>(828) 465-1702</b>	
	City or town, state or country, and ZIP + 4 <b>NEWTON NC 28658-0031</b>		F Accounting method: <input checked="" type="checkbox"/> Cash <input type="checkbox"/> Accrual <input type="checkbox"/> Other (specify) ▶	

Section 501(c)(3) organizations and 4947(a)(1) nonexempt charitable trusts must attach a completed Schedule A (Form 990 or 990-EZ)

H and I are not applicable to section 527 organizations

H(a) Is this a group return for affiliates?  Yes  No

H(b) If "Yes," enter number of affiliates ▶

H(c) Are all affiliates included? (If "No," attach a list. See instructions)  Yes  No

H(d) Is this a separate return filed by an organization covered by a group ruling?  Yes  No

G Website: ▶

J Organization type (check only one)  501(c) ( 3 ) (insert no)  4947(a)(1) or  527

K Check here  if the organization is not a 509(a)(3) supporting organization and its gross receipts are normally not more than \$25,000. A return is not required, but if the organization chooses to file a return, be sure to file a complete return.

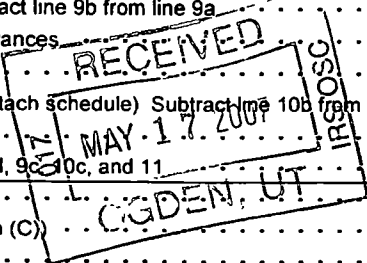
L Gross receipts. Add lines 6b, 8b, 9b, and 10b to line 12 ▶ **497,797**

I Group Exemption Number ▶

M Check  if the organization is not required to attach Sch B (Form 990, 990-EZ, or 990-PF)

**Part I Revenue, Expenses, and Changes in Net Assets or Fund Balances** (See the instructions)

1	Contributions, gifts, grants, and similar amounts received				
a	Contributions to donor advised funds	1a			
b	Direct public support (not included on line 1a)	1b	454,214		
c	Indirect public support (not included on line 1a)	1c			
d	Government contributions (grants) (not included on line 1a)	1d			
e	<b>Total</b> (add lines 1a through 1d) (cash \$ <u>454,214</u> noncash \$ _____)	1e		454,214	
2	Program service revenue including government fees and contracts (from Part VII, line 93)	2			
3	Membership dues and assessments	3			
4	Interest on savings and temporary cash investments	4		3,693	
5	Dividends and interest from securities	5			
6a	Gross rents	6a			
b	Less rental expenses	6b			
c	Net rental income or (loss). Subtract line 6b from line 6a	6c			
7	Other investment income (describe ▶ _____)	7			
8a	Gross amount from sales of assets other than inventory	(A) Securities	8a	(B) Other	
b	Less cost or other basis and sales expenses	8b			
c	Gain or (loss) (attach schedule)	8c			
d	Net gain or (loss). Combine line 8c, columns (A) and (B)	8d			
9	Special events and activities (attach schedule) If any amount is from gaming, check here <input type="checkbox"/>				
a	Gross revenue (not including \$ _____ of contributions reported on line 1b)	9a			
b	Less direct expenses other than fundraising expenses	9b			
c	Net income or (loss) from special events. Subtract line 9b from line 9a	9c			
10a	Gross sales of inventory, less returns and allowances	10a	39,890		
b	Less cost of goods sold	10b			
c	Gross profit or (loss) from sales of inventory (attach schedule) Subtract line 10b from line 10a	10c		39,890	
11	Other revenue (from Part VII, line 103)	11			
12	<b>Total revenue.</b> Add lines 1e, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11	12		497,797	
13	Program services (from line 44, column (B))	13		271,774	
14	Management and general (from line 44, column (C))	14		81,061	
15	Fundraising (from line 44, column (D))	15		0	
16	Payments to affiliates (attach schedule)	16			
17	<b>Total expenses.</b> Add lines 16 and 44, column (A)	17		352,835	
18	Excess or (deficit) for the year. Subtract line 17 from line 12	18		144,962	
19	Net assets or fund balances at beginning of year (from line 73, column (A))	19		829,357	
20	Other changes in net assets or fund balances (attach explanation)	20			
21	Net assets or fund balances at end of year. Combine lines 18, 19, and 20	21		974,319	



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**Part III Statement of Functional Expenses** All organizations must complete column (A) Columns (B), (C), and (D) are required for section 501(c)(3) and (4) organizations and section 4947(a)(1) nonexempt charitable trusts but optional for others (See the instructions )

Do not include amounts reported on line 6b, 8b, 9b, 10b, or 16 of Part I		(A) Total	(B) Program services	(C) Management and general	(D) Fundraising	
22 a	Grants paid from donor advised funds (attach schedule) (cash \$ _____ noncash \$ _____) If this amount includes foreign grants, check here <input type="checkbox"/>	22a				
22 b	Other grants and allocations (attach schedule) (cash \$ _____ noncash \$ _____) If this amount includes foreign grants, check here <input type="checkbox"/>	22b				
23	Specific assistance to individuals (attach schedule)	23	123,802	123,802		
24	Benefits paid to or for members (attach schedule)	24				
25 a	Compensation of current officers, directors, key employees, etc listed in Part V-A (attach schedule)	25a				
b	Compensation of former officers, directors, key employees, etc listed in Part V-B (attach schedule)	25b				
c	Compensation and other distributions, not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) (attach schedule)	25c				
26	Salaries and wages of employees not included on lines 25a, b, and c	26	130,568	95,680	34,888	
27	Pension plan contributions not included on lines 25a, b, and c	27				
28	Employee benefits not included on lines 25a - 27	28				
29	Payroll taxes	29	9,989	7,320	2,669	
30	Professional fundraising fees	30				
31	Accounting fees	31	4,170	4,170		
32	Legal fees	32				
33	Supplies	33	757	757		
34	Telephone	34	1,398	1,398		
35	Postage and shipping	35	1,716	1,716		
36	Occupancy	36				
37	Equipment rental and maintenance	37	1,205	1,205		
38	Printing and publications	38				
39	Travel	39	900		900	
40	Conferences, conventions, and meetings	40				
41	Interest	41	4,885		4,885	
42	Depreciation, depletion, etc (attach schedule)	42	37,719		37,719	
43	Other expenses not covered above (itemize).					
a	<u>OTHER</u>	43a	35,726	35,726		
b		43b				
c		43c				
d		43d				
e		43e				
f		43f				
g		43g				
44	<b>Total functional expenses.</b> Add lines 22a through 43g. (Organizations completing columns (B)-(D), carry these totals to lines 13-15)	44	352,835	271,774	81,061	0

**Joint Costs.** Check  if you are following SOP 98-2  
 Are any joint costs from a combined educational campaign and fundraising solicitation reported in (B) Program services?  Yes  No  
 If "Yes," enter (i) the aggregate amount of these joint costs \$ \_\_\_\_\_, (ii) the amount allocated to Program services \$ \_\_\_\_\_,  
 (iii) the amount allocated to Management and general \$ \_\_\_\_\_, and (iv) the amount allocated to Fundraising \$ \_\_\_\_\_

Part III Statement of Program Service Accomplishments (See the instructions)

Form 990 is available for public inspection and, for some people, serves as the primary or sole source of information about a particular organization. How the public perceives an organization in such cases may be determined by the information presented on its return. Therefore, please make sure the return is complete and accurate and fully describes, in Part III, the organization's programs and accomplishments.

What is the organization's primary exempt purpose? AID THE NEEDY

Program Service Expenses (Required for 501(c)(3) and (4) orgs. and 4947(a)(1) trusts, but optional for others)

All organizations must describe their exempt purpose achievements in a clear and concise manner. State the number of clients served, publications issued, etc. Discuss achievements that are not measurable (Section 501(c)(3) and (4) organizations and 4947(a)(1) nonexempt charitable trusts must also enter the amount of grants and allocations to others.)

a See SERVICES

(Grants and allocations \$ ) If this amount includes foreign grants, check here

27,142

b See SERVICES

(Grants and allocations \$ ) If this amount includes foreign grants, check here

96,661

c

(Grants and allocations \$ ) If this amount includes foreign grants, check here

d

(Grants and allocations \$ ) If this amount includes foreign grants, check here

e Other program services (attach schedule)

(Grants and allocations \$ ) If this amount includes foreign grants, check here

f Total of Program Service Expenses (should equal line 44, column (B), Program services)

123,803

**Part IV Balance Sheets** (See the instructions)

**Note:** Where required, attached schedules and amounts within the description column should be for end-of-year amounts only

		(A)		(B)	
		Beginning of year		End of year	
A s s e t s	45 Cash - non-interest-bearing	369,979	45	125,513	
	46 Savings and temporary cash investments	30,516	46	58,076	
	47 a Accounts receivable		47a		
	b Less allowance for doubtful accounts		47b		
	48 a Pledges receivable		48a		
	b Less allowance for doubtful accounts		48b		
	49 Grants receivable		49		
	50 a Receivables from current and former officers, directors, trustees, and key employees (attach schedule)		50a		
	b Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) (attach schedule)		50b		
	51 a Other notes and loans receivable (attach schedule)		51a		
	b Less allowance for doubtful accounts		51b		
	52 Inventories for sale or use		52		
	53 Prepaid expenses and deferred charges		53		
	54 a Investments - publicly-traded securities <input type="checkbox"/> Cost <input type="checkbox"/> FMV		54a		
	b Investments - other securities (attach schedule) <input type="checkbox"/> Cost <input type="checkbox"/> FMV		54b		
	55 a Investments - land, buildings, and equipment basis		55a		
	b Less accumulated depreciation (attach schedule)		55b		
	56 Investments - other (attach schedule)		56		
	57 a Land, buildings, and equipment basis		57a		
b Less accumulated depreciation (attach schedule)		57b			
58 Other assets, including program-related investments (describe _____)		58			
59 <b>Total assets</b> (must equal line 74) Add lines 45 through 58	400,495	59	183,589		
L i a b i l i t i e s	60 Accounts payable and accrued expenses	2,798	60	2,618	
	61 Grants payable		61		
	62 Deferred revenue		62		
	63 Loans from officers, directors, trustees, and key employees (attach schedule)		63		
	64 a Tax-exempt bond liabilities (attach schedule)		64a		
	b Mortgages and other notes payable (attach schedule)	300,000	64b	22,963	
	65 Other liabilities (describe _____)		65		
66 <b>Total liabilities.</b> Add lines 60 through 65	302,798	66	25,581		
Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 67 through 69 and lines 73 and 74.					
N e t A s s e t B a l a n c e s	67 Unrestricted	43,128	67	51,777	
	68 Temporarily restricted	786,229	68	922,542	
	69 Permanently restricted	0	69	0	
	Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 70 through 74				
	70 Capital stock, trust principal, or current funds		70		
	71 Paid-in or capital surplus, or land, building, and equipment fund		71		
	72 Retained earnings, endowment, accumulated income, or other funds		72		
	73 <b>Total net assets or fund balances.</b> Add lines 67 through 69 or lines 70 through 72 (Column (A) must equal line 19 and column (B) must equal line 21)	829,357	73	974,319	
74 <b>Total liabilities and net assets/fund balances.</b> Add lines 66 and 73	1,132,155	74	999,900		





Part VI Other Information (continued)		Yes	No
82 a	Did the organization receive donated services or the use of materials, equipment, or facilities at no charge or at substantially less than fair rental value?		X
b	If "Yes," you may indicate the value of these items here. Do not include this amount as revenue in Part I or as an expense in Part II (See instructions in Part III)	82b	
83 a	Did the organization comply with the public inspection requirements for returns and exemption applications?	X	
b	Did the organization comply with the disclosure requirements relating to quid pro quo contributions?	X	
84 a	Did the organization solicit any contributions or gifts that were not tax deductible?		X
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	N/A	
85	501(c)(4), (5), or (6) organizations. a Were substantially all dues nondeductible by members?	85a	
b	Did the organization make only in-house lobbying expenditures of \$2,000 or less? If "Yes" was answered to either 85a or 85b, do not complete 85c through 85h below unless the organization received a waiver for proxy tax owed for the prior year	85b	
c	Dues, assessments, and similar amounts from members	85c	
d	Section 162(e) lobbying and political expenditures	85d	
e	Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices	85e	
f	Taxable amount of lobbying and political expenditures (line 85d less 85e)	85f	
g	Does the organization elect to pay the section 6033(e) tax on the amount on line 85f?	85g	
h	If section 6033(e)(1)(A) dues notices were sent, does the organization agree to add the amount on line 85f to its reasonable estimate of dues allocable to nondeductible lobbying and political expenditures for the following tax year?	85h	
86	501(c)(7) orgs Enter a Initiation fees and capital contributions included on line 12	86a	
b	Gross receipts, included on line 12, for public use of club facilities	86b	
87	501(c)(12) orgs Enter a Gross income from members or shareholders	87a	
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)	87b	
88 a	At any time during the year, did the organization own a 50% or greater interest in a taxable corporation or partnership, or an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? If "Yes," complete Part IX	88a	X
b	At any time during the year, did the organization, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," complete Part XI	88b	
89 a	501(c)(3) organizations Enter Amount of tax imposed on the organization during the year under section 4911, section 4912, section 4955		
b	501(c)(3) and 501(c)(4) orgs Did the organization engage in any section 4958 excess benefit transaction during the year or did it become aware of an excess benefit transaction from a prior year? If "Yes," attach a statement explaining each transaction	89b	X
c	Enter Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958		
d	Enter Amount of tax on line 89c, above, reimbursed by the organization		
e	All organizations At any time during the tax year, was the organization a party to a prohibited tax shelter transaction?	89e	X
f	All organizations Did the organization acquire a direct or indirect interest in any applicable insurance contract?	89f	X
g	For supporting organizations and sponsoring organizations maintaining donor advised funds Did the supporting organization, or a fund maintained by a sponsoring organization, have excess business holdings at any time during the year?	89g	X
90 a	List the states with which a copy of this return is filed	NORTH CAROLINA	
b	Number of employees employed in the pay period that includes March 12, 2006 (See instructions)	90b	10
91 a	The books are in care of	% SHERRILL ACCT SERVICE Telephone no 828-464-4818	
	Located at	19 EAST A STREET NEWTON NC ZIP + 4 28658-0492	
b	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)? If "Yes," enter the name of the foreign country	91b	X
	See the instructions for exceptions and filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts		

Part VI Other Information (continued)

Yes No

c At any time during the calendar year, did the organization maintain an office outside of the United States? 91c X

If "Yes," enter the name of the foreign country

92 Section 4947(a)(1) nonexempt charitable trusts filing Form 990 in lieu of Form 1041 - Check here

and enter the amount of tax-exempt interest received or accrued during the tax year 92

Part VII Analysis of Income-Producing Activities (See the instructions)

Note: Enter gross amounts unless otherwise indicated

Table with 5 main columns: (A) Business code, (B) Amount, (C) Exclusion code, (D) Amount, (E) Related or exempt function income. Rows include Program service revenue, Medicare/Medicaid payments, Membership dues, Interest on savings, Dividends, Net rental income, Other investment income, Gross profit, and Subtotal.

Note: Line 105 plus line 1e, Part I, should equal the amount on line 12, Part I

Part VIII Relationship of Activities to the Accomplishment of Exempt Purposes (See the instructions)

Table with 2 columns: Line No., Explain how each activity for which income is reported in column (E) of Part VII contributed importantly to the accomplishment of the organization's exempt purposes.

Part IX Information Regarding Taxable Subsidiaries and Disregarded Entities (See the instructions)

Table with 5 columns: (A) Name, address, and EIN of corporation, partnership, or disregarded entity; (B) Percentage of ownership interest; (C) Nature of activities; (D) Total income; (E) End-of-year assets.

Part X Information Regarding Transfers Associated with Personal Benefit Contracts (See the instructions)

- (a) Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?
(b) Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?

Note: If "Yes" to (b), file Form 8870 and Form 4720 (see instructions)

**Part X** Information Regarding Transfers To and From Controlled Entities. Complete only if the organization is a controlling organization as defined in section 512(b)(13)

**106** Did the reporting organization make any transfers to a controlled entity as defined in section 512(b)(13) of the Code? If "Yes," complete the schedule below for each controlled entity

	(A) Name, address, of each controlled entity	(B) Employer Identification Number	(C) Description of transfer	(D) Amount of transfer
a				
b				
c				
<b>Totals</b>				

**107** Did the reporting organization receive any transfers from a controlled entity as defined in section 512(b)(13) of the Code? If "Yes," complete the schedule below for each controlled entity

	(A) Name, address, of each controlled entity	(B) Employer Identification Number	(C) Description of transfer	(D) Amount of transfer
a				
b				
c				
<b>Totals</b>				

**108** Did the organization have a binding written contract in effect on August 17, 2006, covering the interest, rents, royalties, and annuities described in question 107 above?

**Please Sign Here**

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

Signature of officer: *Tom E. Bunton* Date: *5-8-07*

Type of print name and title: *Tom E. Bunton, Executive Director*

**Paid Preparer's Use Only**

Preparer's signature: *Michael A. Sherrill* Date: *05-08-2007* Check if self-employed:

Firm's name (or yours if self-employed) address, and ZIP + 4: *SHERRILL ACCOUNTING SERVICE* EIN: *56-2116483*

*P O BOX 492* Phone no: *828-464-4818*

*NEWTON, NC 28658*

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

**Organization Exempt Under Section 501(c)(3)**

(Except Private Foundation) and Section 501(e), 501(f), 501(k), 501(n),  
or 4947(a)(1) Nonexempt Charitable Trust

OMB No 1545-0047

**2006**

Department of the Treasury  
Internal Revenue Service

**Supplementary Information – (See separate instructions.)**  
▶ **MUST be completed by the above organizations and attached to their Form 990 or 990-EZ**

Name of the organization

Employer identification number

**EASTERN CATAWBA COOPERATIVE**

**56-0946753**

**Part I Compensation of the Five Highest Paid Employees Other Than Officers, Directors, and Trustees**  
(See page 2 of the instructions. List each one. If there are 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 & deferred compensation	(e) Expense account and other allowances
NONE				

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

**Part II-A Compensation of the Five Highest Paid Independent Contractors for Professional Services**  
(See page 2 of the instructions. List each one (whether individuals or firms) If there are none, enter "None")

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

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

**Part II-B Compensation of the Five Highest Paid Independent Contractors for Other Services**  
(List each contractor who performed services other than professional services, whether individuals or firms. If there are none, enter "None" See page 2 of the instructions.)

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

Total number of other contractors receiving over \$50,000 for other services . . . . . ▶

**Part III** **Statements About Activities** (See page 2 of the instructions)

	Yes	No
<b>1</b> During the year, has the organization attempted to influence national, state, or local legislation, including any attempt to influence public opinion on a legislative matter or referendum? If "Yes," enter the total expenses paid or incurred in connection with the lobbying activities ▶\$ _____ (Must equal amounts on line 38, Part VI-A, or line i of Part VI-B)		X
Organizations that made an election under section 501(h) by filing Form 5768 must complete Part VI-A. Other organizations checking "Yes" must complete Part VI-B AND attach a statement giving a detailed description of the lobbying activities.		
<b>2</b> During the year, has the organization, either directly or indirectly, engaged in any of the following acts with any substantial contributors, trustees, directors, officers, creators, key employees, or members of their families, or with any taxable organization with which any such person is affiliated as an officer, director, trustee, majority owner, or principal beneficiary? (If the answer to any question is "Yes," attach a detailed statement explaining the transactions)		
<b>a</b> Sale, exchange, or leasing of property?		X
<b>b</b> Lending of money or other extension of credit?		X
<b>c</b> Furnishing of goods, services, or facilities?		X
<b>d</b> Payment of compensation (or payment or reimbursement of expenses if more than \$1,000)?		X
<b>e</b> Transfer of any part of its income or assets?		X
<b>3 a</b> Did the organization make grants for scholarships, fellowships, student loans, etc? (If "Yes," attach an explanation of how the organization determines that recipients qualify to receive payments.)		X
<b>b</b> Did the organization have a section 403(b) annuity plan for its employees?		X
<b>c</b> Did the organization receive or hold an easement for conservation purposes, including easements to preserve open space, the environment, historic land areas or historic structures? If "Yes," attach a detailed statement		X
<b>d</b> Did the organization provide credit counseling, debt management, credit repair, or debt negotiation services?		X
<b>4 a</b> Did the organization maintain any donor advised funds? If "Yes," complete lines 4b through 4g. If "No," complete lines 4f and 4g		X
<b>b</b> Did the organization make any taxable distributions under section 4966?		X
<b>c</b> Did the organization make a distribution to a donor, donor advisor, or related person?		X
<b>d</b> Enter the total number of donor advised funds owned at the end of the tax year		
<b>e</b> Enter the aggregate value of assets held in all donor advised funds owned at the end of the tax year		
<b>f</b> Enter the total number of separate funds or accounts owned at the end of the tax year (excluding donor advised funds included on line 4d) where donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts		
<b>g</b> Enter the aggregate value of assets held in all funds or accounts included on line 4f at the end of the tax year		

**Part IV Reason for Non-Private Foundation Status** (See pages 4 through 7 of the instructions )

I certify that the organization is not a private foundation because it is (Please check only **ONE** applicable box )

- 5  A church, convention of churches, or association of churches Section 170(b)(1)(A)(i).
- 6  A school Section 170(b)(1)(A)(ii) (Also complete Part V )
- 7  A hospital or a cooperative hospital service organization Section 170(b)(1)(A)(iii)
- 8  A federal, state, or local government or governmental unit Section 170(b)(1)(A)(v)
- 9  A medical research organization operated in conjunction with a hospital Section 170(b)(1)(A)(iii) **Enter the hospital's name, city, and state** ▶ \_\_\_\_\_
- 10  An organization operated for the benefit of a college or university owned or operated by a governmental unit Section 170(b)(1)(A)(iv) (Also complete the **Support Schedule** in Part IV-A )
- 11a  An organization that normally receives a substantial part of its support from a governmental unit or from the general public Section 170(b)(1)(A)(vi) (Also complete the **Support Schedule** in Part IV-A )
- 11b  A community trust Section 170(b)(1)(A)(vi). (Also complete the **Support Schedule** in Part IV-A )
- 12  An organization that normally receives: (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its charitable, etc., functions - subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975 See section 509(a)(2) (Also complete the **Support Schedule** in Part IV-A )
- 13  An organization that is not controlled by any disqualified persons (other than foundation managers) and otherwise meets the requirements of section 509(a)(3) Check the box that describes the type of supporting organization:  
 Type I       Type II       Type III-Functionally Integrated       Type III-Other

Provide the following information about the supported organizations. (See page 7 of the instructions.)

(a) Name(s) of supported organization(s)	(b) Employer identification number (EIN)	(c) Type of organization (described in lines 5 through 12 above or IRC section)	(d) Is the supported organization listed in the supporting organization's governing documents?		(e) Amount of support
			Yes	No	
<b>Total</b> .....					

- 14  An organization organized and operated to test for public safety Section 509(a)(4). (See page 7 of the instructions )

**Part IVA Support Schedule** (Complete only if you checked a box on line 10, 11, or 12) Use cash method of accounting.

Note: You may use the worksheet in the instructions for converting from the accrual to the cash method of accounting

Calendar year (or fiscal year beginning in)	(a) 2005	(b) 2004	(c) 2003	(d) 2002	(e) Total
15 Gifts, grants, and contributions received (Do not include unusual grants See line 28)	454,058	310,397	184,101	164,574	1,113,130
16 Membership fees received					0
17 Gross receipts from admissions, merchandise sold or services performed, or furnishing of facilities in any activity that is related to the organization's charitable, etc., purpose	39,890	28,254	27,283	38,213	133,640
18 Gross income from interest, dividends, amounts received from payments on securities loans (section 512(a)(5)), rents, royalties, and unrelated business taxable income (less section 511 taxes) from businesses acquired by the organization after June 30, 1975	3,693	2,335			6,028
19 Net income from unrelated business activities not included in line 18					0
20 Tax revenues levied for the organization's benefit and either paid to it or expended on its behalf					0
21 The value of services or facilities furnished to the organization by a governmental unit without charge Do not include the value of services or facilities generally furnished to the public without charge					0
22 Other income. Attach a schedule Do not include gain or (loss) from sale of capital assets	156	3,000			3,156
23 Total of lines 15 through 22	497,797	343,986	211,384	202,787	1,255,954
24 Line 23 minus line 17	457,907	315,732	184,101	164,574	1,122,314
25 Enter 1% of line 23	4,978	3,440	2,114	2,028	
26 Organizations described on lines 10 or 11: a Enter 2% of amount in column (e), line 24					26a 22,446
b Prepare a list for your records to show the name of and amount contributed by each person (other than a governmental unit or publicly supported organization) whose total gifts for 2002 through 2005 exceeded the amount shown in line 26a Do not file this list with your return. Enter the total of all these excess amounts					26b
c Total support for section 509(a)(1) test Enter line 24, column (e)					26c 1,122,314
d Add Amounts from column (e) for lines 18 6,028 19 0 22 3,156 26b					26d 9,184
e Public support (line 26c minus line 26d total)					26e 1,113,130
f Public support percentage (line 26e (numerator) divided by line 26c (denominator))					26f 99.18%
27 Organizations described on line 12: a For amounts included in lines 15, 16, and 17 that were received from a "disqualified person," prepare a list for your records to show the name of, and total amounts received in each year from, each "disqualified person" Do not file this list with your return. Enter the sum of such amounts for each year.					
(2005) _____ (2004) _____ (2003) _____ (2002) _____					
b For any amount included in line 17 that was received from each person (other than "disqualified persons"), prepare a list for your records to show the name of, and amount received for each year, that was more than the larger of (1) the amount on line 25 for the year or (2) \$5,000 (Include in the list organizations described in lines 5 through 11b, as well as individuals) Do not file this list with your return. After computing the difference between the amount received and the larger amount described in (1) or (2), enter the sum of these differences (the excess amounts) for each year					
(2005) _____ (2004) _____ (2003) _____ (2002) _____					
c Add Amounts from column (e) for lines 15 _____ 16 _____ 17 _____ 20 _____ 21 _____					27c
d Add Line 27a total and line 27b total					27d
e Public support (line 27c total minus line 27d total)					27e
f Total support for section 509(a)(2) test Enter amount from line 23, column (e)					27f 0
g Public support percentage (line 27e (numerator) divided by line 27f (denominator))					27g %
h Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator))					27h %
28 Unusual Grants: For an organization described in line 10, 11, or 12 that received any unusual grants during 2002 through 2005, prepare a list for your records to show, for each year, the name of the contributor, the date and amount of the grant, and a brief description of the nature of the grant Do not file this list with your return. Do not include these grants in line 15					

Name(s) as shown on return

FEIN

EASTERN CATAWBA COOPERATIVE

56-0946753

DIRECT SUPPORT 1A

Description	Amount
	\$ 124,891
	55,861
	25,321
	19,890
	15,000
	7,822
	132,426
	57
	110
	72,680
	156
<b>Total:</b>	<b>\$ 454,214</b>

LINE 23 SPECIFIC ASSISTANCE

Description	Amount
FOOD FOR THE NEEDY	\$ 11,399
UTILITIES AND RENT FOR THE NEEDY	49,314
PHARMACY ASSISTANCE	4,493
HEATING & COOLING FOR THE NEEDY THROUGH DUKE ENERGY FUND	38,287
FEMA ASSISTANCE FOR FOOD FOR THE NEEDY	15,743
DUKE ENERGY SPECIAL HEAT ASSISTANCE THROUGH BPM PROGRAM	4,566
<b>Total:</b>	<b>\$ 123,802</b>

CASH IN BANK

Description	Amount
CASH ON HAND	\$ 100
CASH IN BANK-OPERATIONS	51,677
CASH IN BANK-RESTRICTED CRISIS	26,766
CASH IN BANK-DUKE POWER-UTILITIES ASSISTANCE FUNDS	2,975
CASH IN BANK-FOOD ASSISTANCE	9,334
CASH IN BANK-FOR REPAYMENT OF BUILDING LOAN	14,437
CASH IN BANK-MAIDEN CRISIS FUND	110
CASH IN BANK-DUKE ENERGY BPM FOR 2006/2007	20,114
<b>Total:</b>	<b>\$ 125,513</b>

Depreciation and Amortization (Including Information on Listed Property)

Department of the Treasury Internal Revenue Service

See separate instructions.

Attach to your tax return.

Name(s) shown on return

Business or activity to which this form relates

Identifying number

EASTERN CATAWBA COOPERATIVE

MANAGEMENT/GENERAL-

56-0946753

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.

Table with 5 rows for Section 179 election. Line 1: Maximum amount. Line 2: Total cost of section 179 property. Line 3: Threshold cost of section 179 property. Line 4: Reduction in limitation. Line 5: Dollar limitation for tax year.

Table with 13 rows for Section 179 election continuation. Line 6: Description of property, Cost, Elected cost. Line 7: Listed property. Line 8: Total elected cost. Line 9: Tentative deduction. Line 10: Carryover of disallowed deduction. Line 11: Business income limitation. Line 12: Section 179 expense deduction. Line 13: Carryover of disallowed deduction to 2007.

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)

Table with 3 rows for Special Depreciation Allowance. Line 14: Special allowance for qualified New York Liberty or Gulf Opportunity Zone property. Line 15: Property subject to section 168(f)(1) election. Line 16: Other depreciation (including ACRS).

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

Section A

Table with 2 rows for Section A. Line 17: MACRS deductions for assets placed in service in tax years beginning before 2006. Line 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 2006 Tax Year Using the General Depreciation System

Table with 7 columns: (a) Classification of property, (b) Month and year placed in service, (c) Basis for depreciation, (d) Recovery period, (e) Convention, (f) Method, (g) Depreciation deduction. Rows include 3-year, 5-year, 7-year, 10-year, 15-year, 20-year, 25-year property, Residential rental property, and Nonresidential real property.

Section C - Assets Placed in Service During 2006 Tax Year Using the Alternative Depreciation System

Table with 5 columns: (a) Class life, (b) Month and year placed in service, (c) Basis for depreciation, (d) Recovery period, (e) Convention, (f) Method, (g) Depreciation deduction. Rows include 12-year and 40-year class life.

Part IV Summary (see instructions)

Table with 3 rows for Summary. Line 21: Listed property. Line 22: Total. Line 23: For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs.

**Statement of Program Service Accomplishments**

**2006 01**

Name(s) as shown on return

Your Social Security Number

**EASTERN CATAWBA COOPERATIVE**

**56-0946753**

**FORM 990, PART III (a)**

**Grants and Allocations**            \$0  
**Program Service Expenses**       \$27142  
**Includes Foreign Grants**        NO

**Explanation**

SERVICE CENTER, FOOD DISTRIBUTION, CLOTHING

**Statement of Program Service Accomplishments**

**2006 01**

Name(s) as shown on return

Your Social Security Number

**EASTERN CATAWBA COOPERATIVE**

**56-0946753**

**FORM 990, PART III (b)**

**Grants and Allocations**                \$0  
**Program Service Expenses**        \$96661  
**Includes Foreign Grants**        NO

**Explanation**

CRISIS ASSISTANCE, UTILITY PAYMENTS, RENT ASSISTANCE MEDICINE, BLOOD PRESSURE CHECKS,  
LEGAL AID AND ADULT BASIC EDUCATION

Name(s) as shown on return

FEIN

EASTERN CATAWBA COOPERATIVE

56-0946753

CASH IN TEMPORARY SAVINGS-INTEREST BEARING

Description	Amount
CASH FOR CRISIS ASSISTANCE-CHRISTMAS BUREAU	\$ 10,076
CASH FOR DUKE ENERGY BPM PROGRAM 2007/2008	24,000
CASH FOR DUKE ENERGY BPM PROGRAM 2008/2009	24,000
<b>Total:</b>	<b>\$ 58,076</b>

OTHER EXPENSE

Description	Amount
CROP WALK EXPENSE	\$ 61
SALES TAX EXPENSE	2,731
GENERAL INSURANCE	7,473
UTILITIES	11,879
DUES AND SUBSCRIPTIONS	1,480
OFFICE SUPPLIES	5,923
VOLUNTEER EXPENSES	783
LICENSES AND TAXES	942
INTERNET EXPENSE	1,067
EQUIPMENT LEASING	1,789
AUTO EXPENSE FOR DELIVERY VEHICLES	1,296
SECURITY EXPENSE	209
MISCELLANEOUS EXPENSE	93
<b>Total:</b>	<b>\$ 35,726</b>

OTHER INCOME

Description	Amount
CASH REGISTER OVER	\$ 156
<b>Total:</b>	<b>\$ 156</b>