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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)

OMB No 1545-0047

2009**Open to Public Inspection**

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

A For the 2009 calendar year, or tax year beginning

, 2009, and ending

, 20

B Check if applicable:

- ☐ Address change
☐ Name change
☐ Initial return
☐ Terminated
☐ Amended return
☐ Application pending

Please use IRS label or print or type See Specific Instructions

C Name of organization **Municipal Association of South Carolina**

Doing Business As

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

Room/suite

1411 Gervais Street

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

Columbia, SC 29201**D Employer identification number****57 : 6000743****E Telephone number****(803) 799-9574****G Gross receipts \$** **10,507,110****H(a)** Is this a group return for affiliates? ☐ Yes ☒ No**H(b)** Are all affiliates included? ☐ Yes ☐ No
If "No," attach a list (see instructions)**H(c)** Group exemption number ▶**I Tax-exempt status** ☒ 501(c) (4) ◀ (insert no.) ☐ 4947(a)(1) or ☐ 527**J Website:** ▶ **www.masc.sc****K Form of organization** ☒ Corporation ☐ Trust ☐ Association ☐ Other ▶**L Year of formation** **1939****M State of legal domicile** **SC****Part I Summary**

1 Briefly describe the organization's mission or most significant activities: **The Municipal Association of South Carolina represents and serves the state's 270 incorporated municipalities and is dedicated to the principles of its founding members: to offer the services and programs that will give municipal officials the knowledge, experience, and tools for enabling the most efficient and effective operation of their municipalities.**

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) **3** **18****4** Number of independent voting members of the governing body (Part VI, line 1b) **4** **18****5** Total number of employees (Part V, line 2a) **5** **50****6** Total number of volunteers (estimate if necessary) **6** **0****7a** Total gross unrelated business revenue from Part VIII, column (C), line 12 **7a** **(48,037)****b** Net unrelated business taxable income from Form 990-T, line 34 **7b** **(1,003,256)**

		RECEIVED	
		Prior Year	Current Year
Revenue	8 Contributions and grants (Part VIII, line 1b)	593,028	0
	9 Program service revenue (Part VIII, line 2a)	8,215,385	8,342,703
	10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)	705,392	464,720
	11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	85,664	500,123
	12 Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	9,599,469	9,307,546
Expenses	13 Grants and similar amounts paid (Part IX, column (A), lines 1–3)	0	0
	14 Benefits paid to or for members (Part IX, column (A), line 4)	0	0
	15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)	4,470,609	4,680,465
	16a Professional fundraising fees (Part IX, column (A), line 11e)	0	0
	b Total fundraising expenses (Part IX, column (D), line 25) ▶ 0		
	17 Other expenses (Part IX, column (A), lines 11a–11d, 11f–24f)	5,344,099	4,028,514
	18 Total expenses. Add lines 13–17 (must equal Part IX, column (A), line 25)	9,814,708	8,708,979
Net Assets or Fund Balances	19 Revenue less expenses. Subtract line 18 from line 12	(215,239)	598,567
	20 Total assets (Part X, line 16)	Beginning of Current Year 12,253,827	End of Year 13,317,385
	21 Total liabilities (Part X, line 26)	1,542,178	2,178,096
	22 Net assets or fund balances. Subtract line 21 from line 20	10,711,649	11,139,289

Part II Signature Block

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

Sign HereSignature of officer *Miriam Hair*Date **8/16/10**Type or print name and title **Miriam Hair Executive Director****Paid Preparer's Use Only**

Preparer's signature ▶

Date

Check if self-employed ☐

Preparer's identifying number (see instructions)

Firm's name (or yours if self-employed), address, and ZIP + 4 ▶

EIN ▶

Phone no ▶ ()

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

☐ Yes ☐ No

For Privacy Act and Paperwork Reduction Act Notice, see the separate instructions.

Cat No 11282Y

Form **990** (2009)

SCANNED SEP 13 2010

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Part III Statement of Program Service Accomplishments

- 1** Briefly describe the organization's mission.
The Municipal Association of South Carolina represents and serves the state's 270 incorporated municipalities and is dedicated to the principles of its founding members: to offer the services and programs that will give municipal officials, the knowledge, experience and tools for enabling the most efficient and effective operation of their municipalities in the complex world of municipal government.
- 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 \$ 2,971,587 including grants of \$) (Revenue \$ 525,831)
EDUCATION: The Association sponsors training and education opportunities through general and specialized interest meetings, training institutes, communications/publications, a field service program and sponsorship of ten affiliate groups. In 2009, these opportunities included the following: Municipal Elected Officials Institute of Government, Municipal Clerks and Treasurers Institute, Local Government Planning and Zoning Officials Orientation Training, Main Street SC, publications such as a handbook for Municipal Officials and a handbook on conducting effective meetings, Field Services, Municipal Court Administration Association, Municipal Technology Institute of SC, SC Association of Municipal Power Systems, SC Association of Storm Water Managers, SC Business Licensing Officials Association, SC Community Development Association, SC Municipal Attorneys Association, Municipal Finance Officers, Clerks and Treasurers Association, Municipal Human Resources Association, and SC Utility Billing Association. See Schedule O for program details and accomplishments.

4b (Code:) (Expenses \$ 2,211,466 including grants of \$) (Revenue \$ 621,944)
ADVOCACY and TECHNICAL ASSISTANCE: Cities and towns work together to support a strong municipal legislative agenda and to advocate the role of strong cities as a critical part of the state's competitiveness. The Association produces a variety of information tools that support hometown voices in their efforts to communicate with residents, business leaders, the news media and policy makers. These efforts include: Hometown SC, Achievement Awards, lobbying efforts, Hometown SC Legislative Action Day, Hometown Connection and various types of technical assistance. See Schedule O for program details and accomplishments.

4c (Code:) (Expenses \$ 1,890,566 including grants of \$) (Revenue \$ 1,961,337)
RISK MANAGEMENT and INSURANCE SERVICES. The Association manages three self funded insurance programs, an insurance agency and an OPEB trust. Services provided include: workers compensation insurance, health insurance, property and liability insurance, supplemental insurance and other retiree benefits trust. These products are provided within separate related companies (See Schedule R) with the management of the programs provided by the Association. In addition, the Association's Risk Management Services (RMS) staff helps program members build effective safety and health programs to lower their insurance costs. RMS also helps members through written programs and standards, audits, and inspections, technical assistance, training sessions, a video library and news-letter. Further information on the individual programs is provided in Schedule O.

4d Other program services. (Describe in Schedule O)
 (Expenses \$ 1,261,128 including grants of \$) (Revenue \$ 5,233,591)

4e Total program service expenses **▶** \$8,334,747

Part IV Checklist of Required Schedules

	Yes	No
1 Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? If "Yes," complete Schedule A		✓
2 Is the organization required to complete Schedule B, Schedule of Contributors?		✓
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? If "Yes," complete Schedule C, Part II		
5 Section 501(c)(4), 501(c)(5), and 501(c)(6) organizations. Is the organization subject to the section 6033(e) notice and reporting requirement and proxy tax? 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 Is the organization's answer to any of the following questions "Yes"? If so, complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable	✓	
• Did the organization report an amount for land, buildings, and equipment in Part X, line 10? If "Yes," complete Schedule D, Part VI		
• 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		
• 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		
• 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		
• Did the organization report an amount for other liabilities in Part X, line 25? If "Yes," complete Schedule D, Part X		
• 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? If "Yes," complete Schedule D, Part X		
12 Did the organization obtain separate, independent audited financial statements for the tax year? If "Yes," complete Schedule D, Parts XI, XII, and XIII	✓	
12A Was the organization included in consolidated, independent audited financial statements for the tax year? If "Yes," completing Schedule D, Parts XI, XII, and XIII is optional	Yes	No
		✓
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, Part I		✓
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, Part II		✓
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, Part III		✓
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		✓
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		✓
20 Did the organization operate one or more hospitals? If "Yes," complete Schedule H		✓

Part IV Checklist of Required Schedules (continued)

	Yes	No
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? <i>If "Yes," complete Schedule I, Parts I and II</i>		✓
22 Did the organization report more than \$5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? <i>If "Yes," complete Schedule I, Parts I and III</i>		✓
23 Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? <i>If "Yes," complete Schedule J</i>	✓	
24a Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? <i>If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25</i>		✓
24b Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?		✓
24c Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?		✓
24d 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? <i>If "Yes," complete Schedule L, Part I</i>		✓
25b Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? <i>If "Yes," complete Schedule L, Part I</i>		✓
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? <i>If "Yes," complete Schedule L, Part II</i>		✓
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? <i>If "Yes," complete Schedule L, Part III</i>		✓
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).		
28a A current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>		✓
28b A family member of a current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>		✓
28c An entity of which a current or former officer, director, trustee, or key employee of the organization (or a family member) was an officer, director, trustee, or direct or indirect owner? <i>If "Yes," complete Schedule L, Part IV</i>		✓
29 Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i>		✓
30 Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M</i>		✓
31 Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i>		✓
32 Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If "Yes," complete Schedule N, Part II</i>		✓
33 Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? <i>If "Yes," complete Schedule R, Part I</i>	✓	
34 Was the organization related to any tax-exempt or taxable entity? <i>If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1</i>	✓	
35 Is any related organization a controlled entity within the meaning of section 512(b)(13)? <i>If "Yes," complete Schedule R, Part V, line 2</i>	✓	
36 Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2</i>		
37 Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? <i>If "Yes," complete Schedule R, Part VI</i>		✓
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	✓	

Part V Statements Regarding Other IRS Filings and Tax Compliance

		Yes	No
1a	Enter the number reported in Box 3 of Form 1096, Annual Summary and Transmittal of U.S. Information Returns. Enter -0- if not applicable	1a	59
b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable	1b	0
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	1c	✓
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	50
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns? Note. If the sum of lines 1a and 2a is greater than 250, you may be required to e-file this return (see instructions)	2b	✓
3a	Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return?	3a	✓
b	If "Yes," has it filed a Form 990-T for this year? If "No," provide an explanation in Schedule O	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	✓
b	If "Yes," enter the name of the foreign country ▶ See the instructions for exceptions and 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	✓
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?	5b	✓
c	If "Yes" to line 5a or 5b, did the organization file Form 8886-T, Disclosure by Tax-Exempt Entity Regarding Prohibited Tax Shelter Transaction?	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	✓
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	6b	
7	Organizations that may receive deductible contributions under section 170(c).		
a	Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor?	7a	
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?	7b	
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?	7c	
d	If "Yes," indicate the number of Forms 8282 filed during the year	7d	
e	Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	7e	
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?	7f	
g	For all contributions of qualified intellectual property, did the organization file Form 8899 as required?	7g	
h	For contributions of cars, boats, airplanes, and other vehicles, did the organization file a Form 1098-C as required?	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.		
a	Did the organization make any taxable distributions under section 4966?	9a	
b	Did the organization make a distribution to a donor, donor advisor, or related person?	9b	
10	Section 501(c)(7) organizations. Enter		
a	Initiation fees and capital contributions included on Part VIII, line 12	10a	
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	10b	
11	Section 501(c)(12) organizations. Enter		
a	Gross income from members or shareholders	11a	
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them.)	11b	
12a	Section 4947(a)(1) non-exempt charitable trusts. Is the organization filing Form 990 in lieu of Form 1041?	12a	
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year.	12b	

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.

Section A. Governing Body and Management

	1a	18	Yes	No
1a Enter the number of voting members of the governing body		18		
b Enter the number of voting members that are independent	1b	18		
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?	2		✓	
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?	3			✓
4 Did the organization make any significant changes to its organizational documents since the prior Form 990 was filed?	4			✓
5 Did the organization become aware during the year of a material diversion of the organization's assets?	5			✓
6 Does the organization have members or stockholders?	6		✓	
7a Does the organization have members, stockholders, or other persons who may elect one or more members of the governing body?	7a		✓	
b Are any decisions of the governing body subject to approval by members, stockholders, or other persons?	7b			✓
8 Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:				
a The governing body?	8a		✓	
b Each committee with authority to act on behalf of the governing body?	8b			✓
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	9a			✓

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

	Yes	No
10a Does the organization have local chapters, branches, or affiliates?	10a	✓
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?	10b	✓
11 Has the organization provided a copy of this Form 990 to all members of its governing body before filing the form?	11	
11A 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	12a	✓
b Are officers, directors or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	12b	✓
c Does the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this is done	12c	✓
13 Does the organization have a written whistleblower policy?	13	✓
14 Does the organization have a written document retention and destruction policy?	14	✓
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	15a	✓
b Other officers or key employees of the organization	15b	✓
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?	16a	✓
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?	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 ► **Stephanie O'Cain, Chief Financial Officer-MASC, 1411 Gervais Street, Columbia, SC 29201**

Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors
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. Use Schedule J-2 if additional space is needed.

- 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. 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 the organization did not compensate any current officer, director, or trustee

(A) Name and Title	(B) Average hours per week	(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	Highest compensated employee	Former			
Minnie Blackwell Board Member	1	✓						0	0	0
Carol Burdette Board Member/1st VP/President	1	✓		✓				0	0	0
Mac Burdette Board Member	1	✓						0	0	0
Fred Cavanaugh Board Member/Past President	1	✓		✓				0	0	0
Richard Danner Board Member/President/Past President	1	✓		✓				0	0	0
J. Todd Davis Board Member	1	✓						0	0	0
Alfred Mae Drakeford Board Member	1	✓						0	0	0
Ken Durham Board Member	1	✓						0	0	0
Marilyn Hatley Board Member	1	✓						0	0	0
Susie Hinton Board Member	1	✓						0	0	0
Michael Holt Board Member	1	✓						0	0	0
Tameika Isaac-Devine Board Member	1	✓						0	0	0
Kevin Johnson Board Member/1st VP/President	1	✓		✓				0	0	0
Alys Lawson Board Member	1	✓						0	0	0
Paul Miller Board Member/3rd VP/2nd VP/1st VP	1	✓		✓				0	0	0
Joseph McElveen Board Member/3rd VP	1	✓		✓				0	0	0

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

(A) Name and title	(B) Average hours per week	(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	Highest compensated employee	Former			
Randy Randall Board Member/3rd VP/2nd VP	1	<input checked="" type="checkbox"/>						0	0	0
John Rhoden Board Member	1	<input checked="" type="checkbox"/>						0	0	0
Thomas Rivers Board Member	1	<input checked="" type="checkbox"/>						0	0	0
Terence Roberts Board Member	1	<input checked="" type="checkbox"/>						0	0	0
Stanley Shealy Board Member	1	<input checked="" type="checkbox"/>						0	0	0
HC Starnes Board Member	1	<input checked="" type="checkbox"/>						0	0	0
Mark Williams Board Member	1	<input checked="" type="checkbox"/>						0	0	0
Terry Wright Board Member	1	<input checked="" type="checkbox"/>						0	0	0
Miriam Hair Executive Director and Sec Treas	60			<input checked="" type="checkbox"/>				233,044	0	27,701
Stephanie O'Cain Chief Financial Officer-MASC	40			<input checked="" type="checkbox"/>				110,939	0	28,391
Reba Campbell Deputy Executive Director	40				<input checked="" type="checkbox"/>			156,909	0	62,198
Harvey Mathias Director, Risk Management Services	40				<input checked="" type="checkbox"/>			148,158	0	22,677
Edward Schafer Legal Counsel	40					<input checked="" type="checkbox"/>		102,280	0	15,708
1b Total										

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 **▶ 5**

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

	Yes	No
3	<input type="checkbox"/>	<input checked="" type="checkbox"/>
4	<input checked="" type="checkbox"/>	<input type="checkbox"/>
5	<input type="checkbox"/>	<input checked="" type="checkbox"/>

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

5 Did any person listed on line 1a receive or accrue compensation from any unrelated organization for services rendered to the organization? If "Yes," complete Schedule J for such person

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
Sowell Gray Stepp & Lafitte, LLC	Legal Services	339,102
Jean Duke	Accounting/Consulting	182,880
Scott McElveen, LLP	Accounting/Consulting	149,386
Patrick Demouy	Collection prog consulting	135,944
Wanda Charping	Accounting/Consulting	122,418

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 **▶ 7**

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	2a Collection services	Business Code	900099	4,633,294	4,633,294		
	b Risk management services	900099	1,961,337	1,961,337			
	c Financial advisory services	900099	621,944	621,944			
	d Education	900099	525,831	525,831			
	e Member dues	900099	516,892	516,892			
	f All other program service revenue	900099	83,405	83,405			
	g Total. Add lines 2a-2f		8,342,703				
	Other Revenue	3 Investment income (including dividends, interest, and other similar amounts)			453,318		
4 Income from investment of tax-exempt bond proceeds				0			
5 Royalties				0			
6a Gross Rents		(i) Real	(ii) Personal				
b Less: rental expenses							
c Rental income or (loss)		0	0				
d Net rental income or (loss)							0
7a Gross amount from sales of assets other than inventory		(i) Securities	(ii) Other				
b Less: cost or other basis and sales expenses		1,210,966	0				
c Gain or (loss)		1,157,906	41,658				
d Net gain or (loss)		53,060	(41,658)				
8a Gross income from fundraising events (not including \$ of contributions reported on line 1c). See Part IV, line 18							
b Less: direct expenses		0	0				
c Net income or (loss) from fundraising events				0			
9a Gross income from gaming activities. See Part IV, line 19							
b Less: direct expenses		0	0				
c Net income or (loss) from gaming activities				0			
10a Gross sales of inventory, less returns and allowances							
b Less: cost of goods sold	0	0					
c Net income or (loss) from sales of inventory			0				
Miscellaneous Revenue		Business Code					
11a Affiliates	900099	191,815	191,815				
b MIS (loss)	524298	(52,622)		(52,622)			
c Gervais St Associates (gain)	531120	339,256		4,585		334,671	
d All other revenue		21,674				21,674	
e Total. Add lines 11a-11d			500,123				
12 Total revenue. See instructions			9,307,546	8,534,518	(48,037)	821,065	

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	0	0		
2	Grants and other assistance to individuals in the U.S. See Part IV, line 22	0	0		
3	Grants and other assistance to governments, organizations, and individuals outside the U.S. See Part IV, lines 15 and 16	0	0		
4	Benefits paid to or for members	0	0		
5	Compensation of current officers, directors, trustees, and key employees	790,016	745,573	44,443	0
6	Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	0	0	0	0
7	Other salaries and wages	2,709,669	2,557,235	152,434	0
8	Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	265,954	250,993	14,961	0
9	Other employee benefits	661,175	623,980	37,195	0
10	Payroll taxes	253,651	239,382	14,269	0
11	Fees for services (non-employees)	0	0	0	0
a	Management	537,459	536,545	914	0
b	Legal	25,604	23,938	1,666	0
c	Accounting	79,056	79,056	0	0
d	Lobbying	0			0
e	Professional fundraising services. See Part IV, line 17	11,742	0	11,742	0
f	Investment management fees	955,059	953,872	1,187	0
g	Other	9,610	9,610	0	0
12	Advertising and promotion	169,045	155,771	13,274	0
13	Office expenses	236,940	227,988	8,952	0
14	Information technology	0	0	0	0
15	Royalties	536,578	535,515	1,063	0
16	Occupancy	130,681	120,484	10,197	0
17	Travel				
18	Payments of travel or entertainment expenses for any federal, state, or local public officials	13,859	13,859	0	0
19	Conferences, conventions, and meetings	503,592	484,398	19,194	0
20	Interest	0	0	0	0
21	Payments to affiliates	0	0	0	0
22	Depreciation, depletion, and amortization	342,138	320,568	21,570	0
23	Insurance	21,344	20,448	896	0
24	Other expenses. Itemize expenses not covered above. (Expenses grouped together and labeled miscellaneous may not exceed 5% of total expenses shown on line 25 below.)				
a	Software/Hardware maintenance	154,685	145,995	8,690	0
b	Printing/engraving	152,289	151,709	580	0
c	Reference materials & books	12,373	12,321	52	0
d	Bank fees	31,592	22,124	9,468	0
e					0
f	All other expenses	104,868	103,383	1,485	0
25	Total functional expenses. Add lines 1 through 24f	8,708,979	8,334,747	374,232	0
26	Joint costs. Check here <input type="checkbox"/> if following SOP 98-2. 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	200	1	200
	2 Savings and temporary cash investments	3,215,090	2	3,406,947
	3 Pledges and grants receivable, net	0	3	0
	4 Accounts receivable, net	340,513	4	95,446
	5 Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L	0	5	0
	6 Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B). Complete Part II of Schedule L	0	6	0
	7 Notes and loans receivable, net	575,000	7	518,041
	8 Inventories for sale or use		8	
	9 Prepaid expenses and deferred charges	93,822	9	68,036
	10a Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D	3,327,608		
	b Less: accumulated depreciation	2,741,881	10c	585,727
	11 Investments—publicly traded securities	3,390,746	11	3,499,779
	12 Investments—other securities. See Part IV, line 11	3,228,807	12	5,003,349
	13 Investments—program-related. See Part IV, line 11	0	13	0
	14 Intangible assets		14	
	15 Other assets. See Part IV, line 11	249,775	15	139,860
16 Total assets. Add lines 1 through 15 (must equal line 34)	12,253,827	16	13,317,385	
Liabilities	17 Accounts payable and accrued expenses	351,935	17	242,969
	18 Grants payable		18	
	19 Deferred revenue	686,350	19	101,717
	20 Tax-exempt bond liabilities	0	20	
	21 Escrow or custodial account liability. Complete Part IV of Schedule D	3,933	21	3,933
	22 Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L	0	22	0
	23 Secured mortgages and notes payable to unrelated third parties	0	23	0
	24 Unsecured notes and loans payable to unrelated third parties	0	24	0
	25 Other liabilities. Complete Part X of Schedule D	499,960	25	1,829,477
	26 Total liabilities. Add lines 17 through 25	1,542,178	26	2,178,096
Net Assets or Fund Balances	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	0	30	0
	31 Paid-in or capital surplus, or land, building, or equipment fund	0	31	0
	32 Retained earnings, endowment, accumulated income, or other funds	10,711,649	32	11,139,289
	33 Total net assets or fund balances	10,711,649	33	11,139,289
	34 Total liabilities and net assets/fund balances	12,253,827	34	13,317,385

Part XI Financial Statements and Reporting

- 1** Accounting method used to prepare the Form 990: ☐ Cash ☒ Accrual ☐ 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? . . .
- b** Were the organization's financial statements audited by an independent accountant?
- 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?
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 consolidated basis, separate basis, or both
☒ Separate basis ☐ Consolidated basis ☐ 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?
- 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

	Yes	No
2a		✓
2b	✓	
2c	✓	
3a		✓
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

2009

**Open to Public
Inspection**

Name of the organization

Municipal Association of South Carolina

Employer identification number

57 6000743

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 pleasure)	<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	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? ☐ Yes ☐ No

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)? ☐ Yes ☐ No

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, 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, 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 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** ☐ Public exhibition
b ☐ Scholarly research
c ☐ Preservation for future generations
d ☐ Loan or exchange programs
e ☐ Other

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

	Amount
1c	
1d	
1e	
1f	

c Beginning balance

d Additions during the year

e Distributions during the year

f Ending balance

2a Did the organization include an amount on Form 990, Part X, line 21? ☒ Yes ☐ No

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

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

	(a) Current year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1a Beginning of year balance					
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					

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

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

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

Part VI Investments—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	0	0		0
b Buildings	0	0	0	0
c Leasehold improvements	0	67,246	16,542	50,704
d Equipment	0	126,699	104,298	22,401
e Other	0	3,133,663	2,621,041	512,622
Total. Add lines 1a through 1e (Column (d) must equal Form 990, Part X, column (B), line 10(c))				585,727

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
Financial derivatives		
Closely-held equity interests	4,534,883	Cost
Other Other securities: Investment in VC3	339,617	Cost
Other securities: Stock receivable from VC3	128,849	Cost
Total. (Column (b) must equal Form 990, Part X, col. (B) line 12.) ▶	5,003,349	

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
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
Accrued investment income	37,658
Due from related parties	102,202
Total. (Column (b) must equal Form 990, Part X, col. (B) line 15.) ▶	139,860

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

1. (a) Description of liability	(b) Amount	
Federal income taxes	0	
Accrued wages and benefits	465,421	
Due to municipalities-collection services	1,364,056	
Total. (Column (b) must equal Form 990, Part X, col. (B) line 25.) ▶	1,829,477	

2. FIN 48 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

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	9,307,546
2	Total expenses (Form 990, Part IX, column (A), line 25)	2	8,708,979
3	Excess or (deficit) for the year Subtract line 2 from line 1	3	598,567
4	Net unrealized gains (losses) on investments	4	(170,927)
5	Donated services and use of facilities	5	0
6	Investment expenses	6	0
7	Prior period adjustments	7	0
8	Other (Describe in Part XIV)	8	(170,569)
9	Total adjustments (net) Add lines 4 through 8	9	(341,496)
10	Excess or (deficit) for the year per audited financial statements. Combine lines 3 and 9	10	257,071

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	8,995,465
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12:		
a	Net unrealized gains on investments	2a	(170,927)
b	Donated services and use of facilities	2b	0
c	Recoveries of prior year grants	2c	0
d	Other (Describe in Part XIV)	2d	29,415
e	Add lines 2a through 2d	2e	(141,512)
3	Subtract line 2e from line 1	3	9,136,977
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	0
b	Other (Describe in Part XIV)	4b	170,569
c	Add lines 4a and 4b	4c	170,569
5	Total revenue. Add lines 3 and 4c. (This must equal Form 990, Part I, line 12)	5	9,307,546

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

1	Total expenses and losses per audited financial statements	1	8,738,394
2	Amounts included on line 1 but not on Form 990, Part IX, line 25:		
a	Donated services and use of facilities	2a	0
b	Prior year adjustments	2b	0
c	Other losses	2c	0
d	Other (Describe in Part XIV)	2d	29,415
e	Add lines 2a through 2d	2e	29,415
3	Subtract line 2e from line 1	3	8,708,979
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	0
b	Other (Describe in Part XIV.)	4b	0
c	Add lines 4a and 4b	4c	0
5	Total expenses. Add lines 3 and 4c. (This must equal Form 990, Part I, line 18.)	5	8,708,979

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 IV Line 2b: The Association manages SC Downtown Development Association (SCDDA), a 501(c)(3) organization.

Due to a decrease in funding sources and an increase in banking costs, the Municipal Association agreed to hold the funds of this organization in a custodial relationship. The Association has clearly identified the funds that belong to SCDDA and only charges that account for legitimate SCDDA expenses.

Part XI Line 8 and Part XII Line 4(b): Adjustment to Sch K-1 for partner MASC due to change in allocation of profits retroactive to December 31, 2009.

Part XII Line 2d and Part XIII Line 2d: Net intercompany expense allocation to MIS \$29,415

Part XIV Supplemental Information *(continued)*

NONE

Area for supplemental information with horizontal dotted lines.

**SCHEDULE J
(Form 990)**

Department of the Treasury
Internal Revenue Service

Compensation Information

For certain Officers, Directors, Trustees, Key Employees, and Highest
Compensated Employees

▶ Complete if the organization answered "Yes" to Form 990,
Part IV, line 23.

▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2009

**Open to Public
Inspection**

Name of the organization

Municipal Association of South Carolina

Employer identification number

57 : 6000743

Part I Questions Regarding Compensation

1a Check the appropriate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a. Complete Part III to provide any relevant information regarding these items.

- | | |
|---|---|
| <input type="checkbox"/> First-class or charter travel | <input type="checkbox"/> Housing allowance or residence for personal use |
| <input checked="" type="checkbox"/> Travel for companions | <input type="checkbox"/> Payments for business use of personal residence |
| <input checked="" type="checkbox"/> Tax indemnification and gross-up payments | <input checked="" type="checkbox"/> Health or social club dues or initiation fees |
| <input type="checkbox"/> Discretionary spending account | <input type="checkbox"/> Personal services (e g , maid, chauffeur, chef) |

b If any of the boxes on line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all of the expenses described above? If "No," complete Part III to explain

2 Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all officers, directors, trustees, and the CEO/Executive Director, regarding the items checked in line 1a?

3 Indicate which, if any, of the following the organization uses to establish the compensation of the organization's CEO/Executive Director. Check all that apply.

- | | |
|---|---|
| <input checked="" type="checkbox"/> Compensation committee | <input type="checkbox"/> Written employment contract |
| <input checked="" type="checkbox"/> Independent compensation consultant | <input checked="" type="checkbox"/> Compensation survey or study |
| <input type="checkbox"/> Form 990 of other organizations | <input checked="" type="checkbox"/> Approval by the board or compensation committee |

4 During the year, did any person listed in Form 990, Part VII, Section A, line 1a, with respect to the filing organization or a related organization:

- a** Receive a severance payment or change-of-control payment?
- b** Participate in, or receive payment from, a supplemental nonqualified retirement plan?
- c** Participate in, or receive payment from, an equity-based compensation arrangement?
- If "Yes" to any of lines 4a–c, list the persons and provide the applicable amounts for each item in Part III.

Only section 501(c)(3) and 501(c)(4) organizations must complete lines 5–9.

5 For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of.

- a** The organization?
- b** Any related organization?
- If "Yes" to line 5a or 5b, describe in Part III.

6 For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of.

- a** The organization?
- b** Any related organization?
- If "Yes" to line 6a or 6b, describe in Part III.

7 For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III.

8 Were any amounts reported in Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regs section 53.4958-4(a)(3)? If "Yes," describe in Part III.

9 If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)?

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

Part III Supplemental Information

Complete this part to provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 4c, 5a, 5b, 6a, 6b, 7, and 8. Also complete this part for any additional information.

Part 1 Line 1a (1) Health Dues: Dues for health clubs are reimbursed for all employees up to a \$35 per month maximum and only if employee meets certain wellness initiative criteria. These amounts are included in employees' Form W-2s at year-end and the Association pays the gross-up tax on these reimbursements.

Part 1 Line 1a (2) Gross-up payments for Health Club Dues: The Association uses the gross-up payment method to include health club dues (gym fees) reimbursements in employee's Form W-2s.

Part 1 Line 1a (3) Travel for Companions: The Association's travel policy states: "When it is in the best interest of the Association or circumstances warrant the attendance of an employee's spouse along with the employee at an official function, the Association will reimburse all official expenses in the same manner as provided for the employee. The Executive Director must approve travel by an employee's spouse prior to expenses being incurred."

Part 1 Line 1b The Association has an accountable plan requiring substantiation of all business expenses incurred on behalf of MASC

Part 1 Line 2 The Association has an accountable plan requiring substantiation of all business expenses incurred on behalf of MASC.

Part 1 Line 3 This is further described in Schedule O relating to Part VI, Line 15a of Form 990

**SCHEDULE O
(Form 990)**

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990

Complete to provide information for responses to specific questions on
Form 990 or to provide any additional information.

► Attach to Form 990.

OMB No 1545-0047

2009

**Open to Public
Inspection**

Name of the organization

Municipal Association of South Carolina

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Part III-Statement of Program Services Accomplishments

Part III Line 4a-Communication and Education: Expenses: \$2,971,587 Revenues: \$525,831

The Association sponsors training and education opportunities through general and specialized interest meetings, training institutes, communications/publications, a field service program and sponsorship of ten affiliate groups. In 2009, these opportunities included:

Annual Meeting: In 2009, 592 municipal officials from 122 cities and towns registered for this meeting which brings municipal officials together for training, networking and discussing issues of common interest. Officials heard from nationally known speakers, participated in sessions, and learned about new technology and developments in local government.

Municipal Elected Officials Institute of Government: Offers specialized training for elected officials to increase their understanding of local government operations. Classes are held three times annually by satellite and in Columbia the day before the Association's legislative conference (see Hometown SC Legislative Action Day below). During the 2009-2010 training year, 450 elected officials attended one or more of the training sessions with 56 elected officials graduating from the program.

Municipal Clerks and Treasurers Institute: Provides specialized training for municipal employees serving in the clerk/treasurer profession. Topics include financial management, records management, election administration, conducting public meetings, HR management, municipal law and management skills. During 2009, 74 registrants attended the semi-annual training sessions with 5 current year graduates.

Local Government Planning and Zoning Officials Orientation Training: Provides training facilitators and resource materials to meet the six hour orientation training requirement required by the SC Comprehensive Planning Act for new local government planning and zoning officials. The Association recently completed an extensive revision of the training materials to allow facilitators greater flexibility to incorporate local examples for discussion. The resource materials are

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Part III Line 4a-Communication and Education (continued)

approved by the State Advisory Committee on Educational Requirements. Planning and zoning officials completing the training are awarded certificates by the Association.

SC Local Government Management Training Program: This program is designed for city and county managers/administrators and assistants new to the profession or new to the state of South Carolina. This new program is a collaborative effort of the Association, the SC City and County Management Association, the University of South Carolina's Institute for Public Service and Policy Research, and the SC Association of County Managers, Administrators and Supervisors. Offered quarterly, each training session provides the foundation for a specific subject area combined with case studies and/or panel discussions. Session topics include public budgeting, overview of South Carolina local government, financial management, working effectively with council, and employment law and human resource management.

Main Street South Carolina: Follows National Main Street's Four Point Approach--Organization, Promotion, Design and Economic Restructuring--to help members revitalize downtowns into vibrant centers of commerce and community. The Main Street SC program honors exceptional accomplishments in restoring downtowns and neighborhood commercial districts through its Main Street SC Inspiration Awards. Twelve communities participated in 2009.

Municipal Association of South Carolina Website: In July of 2009, the Association relaunched its website, www.masc.sc, with new features and a fresh look. The site has more than 800 pages and provides access to more than 1,500 documents, presentations and links. A powerful search engine and resource library are also available to help users navigate to specific information of interest.

Field Services: Two field service managers (assigned regionally) visit municipal officials to help address issues of local concern. The identification and resolution of minor challenges can often prevent them from growing into major problems. Field service managers are available, at the request of the municipality, to provide hands-on technical assistance. Over the past year, the field service managers made more than 600 visits to SC cities and towns.

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57**6000743****Part III Line 4a-Communication and Education (continued):**

Publications: The Association publishes a variety of manuals and handbooks on topics of municipal interest. Publications are available to members and the general public at nominal cost. Current publications available include:

- **Municipal Officials and Legislative Directory***
- **Handbook for Municipal Officials in SC**
- **How to Conduct Effective Public Meetings***
- **Forms and Powers of Municipal Government***
- **Annexation Handbook**
- **Comprehensive Planning Guide for Local Governments***
- **Business Licensing Handbook**
- **Model Employee Handbook for SC Municipalities**
- **Incorporation Handbook**
- **Engaging Key Influencers as a Valuable Hometown Voice**
- **Raising Hometown Voices to a New Level of Influence**
- **Election Handbook***

* Publication updated within last year

Uptown: In addition to the above publications, the Association publishes a monthly newsletter, Uptown, which provides in-depth articles on issues of municipal interest. The feature topic in each issue examines a topic of municipal interest from a variety of viewpoints. Recent feature sections have covered topics including public works/utilities, community health/recreation, fiscal stability, building community and partnerships. The Association prints and circulates 5,500 copies of this publication each month. Uptown Update, a weekly e-newsletter, provides information about upcoming training opportunities and other timely topics.

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Part III Line 4a-Communication and Education (continued):

Sponsored Affiliates: The Association supports 10 affiliate organizations to provide training and networking for a variety of local government roles. In addition to providing traditional face-to-face learning and networking opportunities, each affiliate association has a listserve for members to share best practices, experiences and specific questions related to their profession. These affiliate groups offered 23 conferences and special programs during 2009. A brief description of the respective purposes of each affiliate group and their 2009 membership base is provided below:

Municipal Court Administration Association (MCAA): Offers training to court administrators, clerks of court, municipal judges and other city/town employees involved in court administration. MCAA members share ideas to make the business of court administration more efficient. 2009 membership base: 221.

Municipal Technology Association of SC (MTASC): Promotes the effective use of technology by municipalities. Through a partnership with the Association and the UNC-Chapel Hill School of Government, MTASC developed the SC Local Government Information Technology Education and Certification Program. This 10-month program, begun in 2008, assesses and addresses some of the most critical issues facing IT leadership in local government. In June 2009, 19 graduates of the program achieved the nationally recognized designation of Certified Government Chief Information Officer. 2009 membership base: 95.

SC Association of Municipal Power Systems (SCAMPS): This group was originally formed to support one another during times of disaster. While mutual aid is still the main focus of SCAMPS, this affiliate expanded their scope to include legislative initiatives and training for electrical personnel such as lineman safety training. Membership includes all 21 electric utilities in South Carolina.

SC Association of Storm Water Managers (SCASM): Offers quarterly training on stormwater management policies and best practices. 2009 membership base: 165.

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Part III Line 4a-Communication and Education (continued)

SC Business Licensing Officials Association (SCBLOA): Promotes best practices for administering and enforcing the local business and professional license tax through training sessions and the professional designations of Accreditation in Business Licensing (ABL) and Masters in Business Licensing (MBL). During the most recent training year, 8 business licensing professionals received the ABL designation, and 3 received the MBL designation. 2009 membership base: 336.

SC Community Development Association (SCDDA): Promotes economic and community development, provides educational forums to address needs and problems of communities, encourages cooperation and coordination between members and other organizations, and sponsors activities to enhance members' professional performance. 2009 membership base: 136 (representing state, local and private entities).

SC Municipal Attorneys Association (SCMAA): Provides an annual training session for municipal attorneys. Training is approved by the SC Bar for continuing education credits. There is no membership for this affiliate group. The 2009 annual meeting was attended by 93 attorneys.

Municipal Finance Officers, Clerks and Treasurers Association (MFOCTA): Offers training programs covering the wide range of responsibilities of finance officers, clerks and treasurers. This affiliate group co-sponsors the Municipal Clerks and Treasurers Institute. 2009 membership base: 224.

Municipal Human Resources Association (MHRA): Promotes sound human resources administration and encourages innovative programs. Training programs are designed to provide information and the opportunity for exchange of ideas. 2009 membership base: 210.

SC Utility Billing Association (SCUBA): Provides training on billing, collection and customer service of municipal utility systems. 2009 membership base: 165.

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Part III Line 4b-Advocacy and Technical Assistance: Expenses: \$2,211,466 Revenues: \$621,944

Cities and towns work together to support a strong municipal legislative agenda and to advocate the role of strong cities as a critical part of the state's competitiveness. The Association produces a variety of information tools that support hometown voices in their efforts to communicate with residents, business leaders, the news media and policy makers.

These efforts include:

Hometown SC: The Association's long-range awareness building initiative to communicate with one voice the value of cities and towns, build relationships with community leaders and encourage support of cities' role in the state's economic competitiveness. This initiative encourages city leaders to speak with one voice about the value of cities and towns through the Association's legislative agenda, media outreach and the "Cities Mean Business" campaign. This campaign encourages new and stronger collaboration between local elected leaders and their business leaders. An online toolkit of resources gives members templates to integrate this campaign into their own hometown efforts.

The Association has partnered with SC Biz magazine, a statewide business publication, to publish a semi-annual magazine called Cities Mean Business to spotlight how strong cities are important contributors to the state's economic success. Targeted to business leaders and policy makers statewide, the magazine has a circulation of 15,000 readers and features stories about city-led initiatives to boost the local and regional economy.

Municipal News and Daily News Clips: Municipal News is a weekly electronic newsletter highlighting articles, editorials and other news items. It focuses on legislative top priority issues and spotlights local stories illustrating the value of South Carolina cities and towns. The daily news clips are a quick "at a glance" e-mail with links to news stories of municipal interest around the state.

Achievement Awards: This program recognizes successful and innovative municipal projects that improve the quality of life for residents and add value to the community by establishing partnerships and building community support. The 2009 program received entries from 32 municipalities.

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57**6000743****Part III Line 4b-Advocacy and Technical Assistance (continued):**

The Association's legislative initiatives support South Carolina hometowns and the value they bring to the state. The Association's legislative agenda focuses on issues that promote economic growth, enhance a positive quality of life, and encourage local accountability and fiscal responsibility. Legislative efforts include:

Lobbying Efforts: Each year, the board of directors, with recommendations from the Association's legislative committee, identifies the Association's legislative priorities. The Association seeks out partnerships and coalitions to support legislation that reflects these priorities. The Association staff monitors all proposed bills affecting municipalities' ability to provide services to their residents and discusses with legislators their impact on South Carolina's hometowns. The Association also tracks federal legislation through the National League of Cities. During the legislative session, a weekly report, From the Dome to Your Home, is e-mailed to members to recap the week's major bills and preview upcoming week's activities. Municipal leaders can also keep up with progress of bills through an online monitoring system updated daily by Association staff. During the 2009-2010 Legislative Session, the Association staff tracked 794 bills.

Hometown SC Legislative Action Day: This annual meeting gives municipal officials the chance to learn about legislative issues affecting municipalities and to meet with members of the South Carolina General Assembly. The 2009 meeting was attended by 465 municipal officials representing 135 cities.

Hometown Connection: This program brings municipal officials to Columbia each month during the legislative session giving them the opportunity to talk with their legislators about the local impact of State House actions. The Association staff briefs the visiting officials on pending legislation affecting municipal government. The municipal officials then meet with their legislators, attend committee meetings and listen to floor debates.

Regional Advocacy Meetings: Each fall the Association staff goes on the road to conduct a series of regional advocacy meetings. In 2009, Association staff visited 10 locations and met with more than 300 municipal officials to talk about the upcoming legislative session, develop strategies and gather input on issues important to cities and towns around the state.

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Part III Line 4b-Advocacy and Technical Assistance (continued):

Technical Assistance: The Association also provided for professional services from independent contractors to aid cities in financial crisis. Repayment for these services is based on ability to pay. Results for 2009 were essentially breakeven with the Association incurring expenses of \$622,072 and receiving reimbursement for \$621,944.

Part III Line 4c-Risk Management and Insurance Services: Expenses: \$1,890,566 Revenues: \$1,961,337

The Association manages three self-funded insurance programs, an insurance agency and an OPEB trust. Services include: workers compensation insurance, health insurance, property and liability insurance, supplemental insurance and other retiree benefits trust. These products are provided within separate related companies (See Schedule R) with the management of the programs provided by the Association. Each program has a board of trustees composed of representatives from the programs' members. The boards are responsible for policy direction. In addition, the Association's Risk Management Services (RMS) staff helps program members build effective safety and health programs to lower their insurance costs. RMS also assists members through written programs/standards, audits and inspections, technical assistance, training sessions, a video library and newsletter. Information on the individual programs is provided below:

SC Local Government Assurance Group (SCLGAG): This group, formed in 1981, provides medical, dental, vision and disability coverage as well as care management. SCLGAG offers traditional plan options, two health reimbursement account options and a health savings account option. Wellness/fitness one-on-one consultations are also offered to assist members in setting up city-sponsored wellness and fitness programs for their employees. Members at 12/31/2009: 90.

SC Municipal Insurance Trust (SCMIT): Formed in 1984, the Trust provides workers' compensation coverage. Law enforcement and fire department members of SCMIT are eligible for reimbursement programs to cover the purchase of soft body armor, protective gear and other safety equipment. SCMIT has added a public works grant program to fund work-zone safety equipment. The program awarded approximately \$150,000 through its three grant programs. SCMIT also provides numerous services to manage risk and reduce the number and size of claims. Members at 12/31/2009: 102.

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Part III Line 4c-Risk Management and Insurance Services (continued):

SC Municipal Insurance and Risk Financing Fund (SCMIRF); Formed in 1990, this program provides all lines of property and casualty coverage including tort liability, law enforcement liability, public officials' liability, and property and automobile coverage. Law enforcement members of SCMIRF are eligible for reimbursement programs to cover the purchase of law enforcement technology. SCMIRF has recently brought its claim processing in-house instead of contracting with a third-party provider. This will provide long-term member benefits from enhanced, timely reporting and more control over the adjustment process. SCMIRF provides programs designed to reduce claims volume and size which is the key to members managing their long term insurance costs and provides a Labor Hotline for members to receive free legal advice on labor issues. Members at 12/31/2009: 82.

In addition to the above three self-funded insurance programs, the Association offers a GASB 45 compliant trust for pre-funding retirement obligations, other than pensions, and an insurance agency to offer municipal employees voluntary supplemental insurance products.

South Carolina Other Retirement Benefits Employer Trust (SC ORBET): The trust allows member municipalities to lower costs by taking advantage of group rates for actuarial services and earn higher rates of return by pooling funds. Members at 12/31/2009: 29.

Municipal Insurance Services (MIS): Using a "best of breed" approach, MIS offers whole and term life, dental, cancer, accident, critical illness, vision and short-term disability as voluntary supplemental insurance products to municipal employees at the lowest cost possible. Members at 12/31/2009: 51.

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Part III Line 4d-Other Program Services Expenses: \$1,261,128 Revenues: \$5,233,591

The Association contracts with the municipalities of South Carolina to collect certain business license taxes and delinquent debts on their behalf. The four programs described below provide for centralized and efficient collection efforts for participating municipalities. Other Program Services Revenue also includes \$516,892 in member dues and \$83,405 related to information technology.

Insurance Tax Collection Program: Centralizes the licensing procedures for insurance companies and standardizes the collection rates and dates. In 2009, \$121.8 million was collected in current and delinquent business license taxes from insurance companies. \$118.5 million was disbursed to 265 participating municipalities.

Telecommunications Tax Collection Program: Centralizes the licensing procedures for telecommunications companies and standardizes the collection rates and dates. In 2009, \$14.3 million was collected from telecommunications companies. \$13.7 million was disbursed to 259 participating municipalities.

Broker Tax Collection Program: Insurance companies not licensed to directly sell policies in the state provide coverage through South Carolina licensed brokers. These brokers are required to pay a tax to municipalities. In 2009, \$10.1 million was collected from licensed insurance brokers. \$9.6 million was distributed to 265 participating municipalities.

Setoff Debt Collection Program: Local governments can make claims against an individual's state income tax refund to collect for owed debts such as utility bills, taxes, court fines, etc. The Association acts as a conduit for participants to collect on these debts by coordinating information sent to SC Department of Revenue. In 2009, the Association received \$3.6 million in checks from SC Department of Revenue and disbursed \$3.2 million to 162 program participants.

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Part VI-Governance, Management and Disclosure**Part VI Line 1a: Governing Body**

The Association's by-laws establish an Executive Committee consisting of the President who shall act as the Chairman of the Executive Committee, the First Vice President, the Second Vice President, the Third Vice President, the immediate Past President and the Executive Director.

The Executive Committee is empowered to act in general to carry out any of the functions of the Board of Directors that may be necessary between meetings of the Board of Directors except those duties required by state law or by the bylaws to be performed at the annual meeting.

Part VI Line 2: Family or Business Relationships

Two board members of the Association are brothers-in-law. The Association has reviewed the relationship and waived the conflict of interest because it believes the relationship is unlikely to affect their ability to act in the best interests of the Association.

Part VI Line 7a: Election of Governing Body

The membership elects all board members and officers, other than the Executive Director, at the annual meeting. Any official of a member city is eligible as a delegate. Each member municipality has one vote, which shall be the majority expression of the delegates from that municipality. Twenty member municipalities must be present to constitute a quorum at any meeting of the Association. Board member terms are three years, with elections on a staggered term basis. Officer terms are one year. As vacancies arise, an interim member is appointed by the board and then voted on by membership at the next annual meeting.

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57**6000743****Part VI Line 8b: Committees with Authority to Act on Behalf of Governing Body**

The Executive Committee is the only committee that has the authority to act on behalf of the board. All decisions made by this committee are ratified in a full board meeting, therefore no separate minutes are maintained.

Part VI Line 10a-10b Affiliate Organizations

The Association has what is calls affiliate organizations (see also discussion of affiliate groups in Part III Line 4a above).

These are typically groups of employees of member municipalities with common training needs. Each group elects its own board and determines their own training needs, etc. Although they elect their own board, they are ultimately governed by the Association's board; required to keep their activities within the Association's mission and follow all MASC policies and procedures. Each affiliate group has a written service agreement with the Association and a staff member is assigned to help with content development, meeting planning, administrative functions as well as to provide compliance oversight.

The related income and expense from these groups are included in the results reported on the Association's 990 tax return.

Part VI Line 11A: Form 990 Review Process

A draft of the 990 is prepared by staff Certified Public Accountants. During the preparation process, meetings are held to discuss various sections of the return with the Executive Director, Deputy Executive Directors, and others as deemed necessary.

Part VI Line 12c: Conflict of Interest Policy

The Association adopted a written Conflict of Interest policy on December 8, 2009. All Association employees and the board of directors complete an annual disclosure form which includes a review of the conflict of interest policy. The results are presented to the Board of Directors.

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57**6000743****Part VI Line 15: Compensation Review Process**

In accordance with the Association by-laws, the Board of Directors determines the compensation of the Executive Director. Each Board member completes an annual review of the Executive Director's performance. These reviews are compiled by an independent third party and submitted to the compensation committee. The compensation committee reviews the Executive Director's performance and other comparative salary information from like organizations. This committee makes a recommendation to the full Board. Although the committee and the Board may meet with staff during this process, including the Executive Director, deliberations and final decisions are made with no staff members present. All final decisions concerning the Executive Director's compensation are fully documented.

The Association has an independent compensation consultant perform a salary study periodically to determine suggested salary ranges for all employees including the Executive Director. The salary ranges are approved by the Board of Directors. Between salary studies, the ranges are increased by an annual cost of living percentage. The cost of living increase is approved by the Board of Directors. The Executive Director sets compensation for all other employees of the Association (including other officers and key employees) based on performance and approved salary ranges.

Part VI Line 19: Availability of Governing Documents, Policies and Financial Statements

Governing documents, policies and financial statements of the organization are made available upon request.

Part IX Statement of Functional Expenses Line 11(g) Fees for Services Other

Professional services included in this line item include fees for technical assistance \$621,865, collections program consulting \$135,944; education \$150,792; outreach \$11,647 and other \$3,113. Additional expenses in this category include contract writers \$12,300; architectural services \$11,260, media production \$5,210 and temporary contract services \$2,928. Total: \$955,059

Part XI Line 2c: Audit Committee

Policy adopted by the board on December 8, 2009, states the Association's financial statements will be audited by an independent audit firm annually. The board will approve the selection of the audit firm. The audit firm will present the audited financial report to the board. Staff will make the audited financial statements available to others upon request.

▶ Complete if the organization answered "Yes" to Form 990, Part IV, line 33, 34, 35, 36, or 37.
▶ Attach to Form 990.
▶ See separate instructions.

Department of the Treasury
Internal Revenue Service

Name of the organization

Municipal Association of South Carolina

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57 : 6000743

Part I Identification of Disregarded Entities (Complete if the organization answered "Yes" to Form 990, Part IV, line 33.)

[illegible]

Part II
Identification of Related Tax-Exempt Organizations (Complete if the organization answered "Yes" to Form 990, Part IV, line 34 because it had one or more related tax-exempt organizations during the tax year.)

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity
SC Municipal Insurance Risk Financing Fund 57-0918119 1411 Gervais Street, Columbia, SC 29201	Self-insur prop. liabil.	SC	115		N/A
SC Municipal Insurance Truse 57-0876698 1411 Gervais Street, Columbia, SC 29201	Self-insur work comp	SC	115		N/A
SC Local Gov't Assurance Group 57-0876697 1411 Gervais Street, Columbia, SC 29201	Self-insur health pool	SC	115		N/A
SC Other Retirement Benefits Employer Trust 26-6660520 1411 Gervais Street, Columbia, SC 29201	Empl retirement ben.	SC	115		N/A
SC Association of Municipal Power Systems 57-0758243 1411 Gervais Street, Columbia, SC 29201	Power systems ass'n	SC	501(c)(6)		N/A

Part V Transactions With Related Organizations (Complete if the organization answered "Yes" to Form 990, Part IV, line 34, 35, or 36.)**Note.** Complete line 1 if any entity is listed in Parts II, III, or IV of this schedule.**1** During the tax year, did the organization engage in any of the following transactions with one or more related organizations listed in Parts II-IV?**a** Receipt of (i) interest (ii) annuities (iii) royalties or (iv) rent from a controlled entity**b** Gift, grant, or capital contribution to other organization(s)**c** Gift, grant, or capital contribution from other organization(s)**d** Loans or loan guarantees to or for other organization(s)**e** Loans or loan guarantees by other organization(s)**f** Sale of assets to other organization(s)**g** Purchase of assets from other organization(s)**h** Exchange of assets**i** Lease of facilities, equipment, or other assets to other organization(s)**j** Lease of facilities, equipment, or other assets from other organization(s)**k** Performance of services or membership or fundraising solicitations for other organization(s)**l** Performance of services or membership or fundraising solicitations by other organization(s)**m** Sharing of facilities, equipment, mailing lists, or other assets**n** Sharing of paid employees**o** Reimbursement paid to other organization for expenses**p** Reimbursement paid by other organization for expenses**q** Other transfer of cash or property to other organization(s)**r** Other transfer of cash or property from other organization(s)**2** If the answer to any of the above is "Yes," see the instructions for information on who must complete this line, including covered relationships and transaction thresholds.

	(a) Name of other organization	(b) Transaction type (a-r)	(c) Amount involved
(1)	Gervais Street Associates (capital contribution by MASC for GSA bond debt reduction)	b	1,350,000
(2)	Gervais Street Associates (outstanding balance of loan from a previous period)	d	355,000
(3)	SC Other Retirement Benefits Employer Trust (long term receivable)	d	163,041
(4)	Gervais Street Associates (partial repayment of loan from MASC)	d	220,000
(5)	SCMIT/SCMIRF/SCLGAG (purchase of fixed assets at NBV)	f	138,623
(6)	Gervais Street Associates (lease/rent paid by MASC to GSA)	j	524,934

Part V Continuation of Transactions With Related Organizations (Schedule R (Form 990), Part V, line 2)

	(A) Name of other organization	(B) Transaction type (a-r)	(C) Amount involved
(7)	Gervais Street Associates (administrative support provided by MASC)	k	77,510
(8)	SC Association of Municipal Power Systems (administrative support provided by MASC)	k	Not Available
(9)	SC Local Government Assurance Group (administrative support provided by MASC)	k	337,022
(10)	SC Municipal Insurance Risk Financing Fund (administrative support provided by MASC)	k	640,602
(11)	SC Municipal Insurance Trust (administrative support provided by MASC)	k	624,518
(12)	SC Other Retirement Benefits Employer Trust (administrative support provided by MASC)	k	100,973
(13)	SC Association of Municipal Power Systems (administrative fee paid to MASC to reimburse for administrative support)	r	20,000
(14)	SC Local Government Assurance Group (administrative fee paid to MASC to reimburse for administrative support)	r	394,220
(15)	SC Municipal Insurance Risk Financing Fund (administrative fee paid to MASC to reimburse for administrative support)	r	643,539
(16)	SC Municipal Insurance Trust (administrative fee paid to MASC to reimburse for administrative support)	r	627,455
(17)	SC Other Retirement Benefits Employer Trust (administrative fee paid to MASC to reimburse for administrative support)	r	104,183
(18)			
(19)			
(20)			
(21)			
(22)			
(23)			
(24)			

Depreciation and Amortization
(Including Information on Listed Property)

OMB No 1545-0172

2009

Attachment
Sequence No **67**

▶ See separate instructions.

▶ Attach to your tax return.

Name(s) shown on return

Municipal Association of South Carolina

Business or activity to which this form relates

990

Identifying number

57-6000743

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 the instructions for a higher limit for certain businesses	1	\$250,000
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	\$800,000
4	Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0-	4	0
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	250,000
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 2008 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 2010. 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	342,138

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 2009	17	
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 <input type="checkbox"/>		

Section B—Assets Placed in Service During 2009 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			39 yrs	MM	S/L	

Section C—Assets Placed in Service During 2009 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	342,138
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	

Part V Listed Property (Include automobiles, certain other vehicles, cellular telephones, 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? <input type="checkbox"/> Yes <input type="checkbox"/> No				24b If "Yes," is the evidence written? <input type="checkbox"/> Yes <input type="checkbox"/> 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 -			
		%			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.

	(a) Vehicle 1	(b) Vehicle 2	(c) Vehicle 3	(d) Vehicle 4	(e) Vehicle 5	(f) Vehicle 6
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?	Yes	No	Yes	No	Yes	No
35 Was the vehicle used primarily by a more than 5% owner or related person?						
36 Is another vehicle available for personal use?						

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)

	Yes	No
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

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 2009 tax year (see instructions)					
43 Amortization of costs that began before your 2009 tax year					43
44 Total. Add amounts in column (f). See the instructions for where to report					44

Form **8868**

(Rev. April 2009)

Department of the Treasury
Internal Revenue Service

Application for Extension of Time To File an Exempt Organization Return

OMB No 1545-1709

► **File a separate application for each return.**

● If you are filing for an **Automatic 3-Month Extension**, complete only **Part I** and check this box ☒ **X**

● If you are filing for an **Additional (Not Automatic) 3-Month Extension**, complete only **Part II** (on page 2 of this form)

Do not complete Part II unless you have already been granted an automatic 3-month extension on a previously filed Form 8868.

Part I Automatic 3-Month Extension of Time. Only submit original (no copies needed).

A corporation required to file Form 990-T and requesting an automatic 6-month extension—check this box and complete Part I only ☐

All other corporations (including 1120-C filers), partnerships, REMICs, and trusts must use Form 7004 to request an extension of time to file income tax returns

Electronic Filing (e-file). Generally, you can electronically file Form 8868 if you want a 3-month automatic extension of time to file one of the returns noted below (6 months for a corporation required to file Form 990-T). However, you cannot file Form 8868 electronically if (1) you want the additional (not automatic) 3-month extension or (2) you file Forms 990-BL, 6069, or 8870, group returns, or a composite or consolidated Form 990-T. Instead, you must submit the fully completed and signed page 2 (Part II) of Form 8868. For more details on the electronic filing of this form, visit www.irs.gov/efile and click on e-file for Charities & Nonprofits

Type or print File by the due date for filing your return. See instructions.	Name of Exempt Organization	Employer identification number
	MUNICIPAL ASSOCIATION OF S CAROLINA	57-6000743
	Number, street, and room or suite no. If a P.O. box, see instructions. 1411 GERVAIS STREET	
	City, town or post office, state, and ZIP code. For a foreign address, see instructions. COLUMBIA SC 29201	

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

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

● The books are in the care of ► **SHIRLEY MILLER**

Telephone No ► **803-993-1226**

FAX No ► **803-933-1274**

● If the organization does not have an office or place of business in the United States, check this box ☐

● If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) ☐. If this is for the whole group, check this box ☐. If it is for part of the group, check this box ☐ and attach

a list with the names and EINs of all members the extension will cover

- 1 I request an automatic 3-month (6 months for a corporation required to file Form 990-T) extension of time until **08/15/10**, to file the exempt organization return for the organization named above. The extension is for the organization's return for:
- ☒ calendar year **2009** or
- ☐ tax year beginning _____, and ending _____

- 2 If this tax year is for less than 12 months, check reason ☐ Initial return ☐ Final return ☐ Change in accounting period

3a If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions.	3a	\$
b If this application is for Form 990-PF or 990-T, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit.	3b	\$
c Balance Due. Subtract line 3b from line 3a. Include your payment with this form, or, if required, deposit with FTD coupon or, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions.	3c	\$

Caution. If you are going to make an electronic fund withdrawal with this Form 8868, see Form 8453-EO and Form 8879-EO for payment instructions.

For Privacy Act and Paperwork Reduction Act Notice, see Instructions.

Form **8868** (Rev. 4-2009)