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## Return of Organization Exempt From Income Tax

2013

Open to Public  
InspectionDepartment of the Treasury  
Internal Revenue Service

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except private foundations)

- Do not enter Social Security numbers on this form as it may be made public.
- Information about Form 990 and its instructions is at [www.irs.gov/form990](http://www.irs.gov/form990).

<b>A For the 2013 calendar year, or tax year beginning</b>		, 2013, and ending	
<b>B Check if applicable</b>		<b>C Name of organization</b> Municipal Association of South Carolina	
<input type="checkbox"/> Address change		Doing Business As	
<input type="checkbox"/> Name change		Number and street (or P O box if mail is not delivered to street address)	
<input type="checkbox"/> Initial return		Room/suite	
<input type="checkbox"/> Terminated		803-799-9574	
<input type="checkbox"/> Amended return		City or town, state or province, country, and ZIP or foreign postal code	
<input type="checkbox"/> Application pending		Columbia, SC 29211	
		<b>D Employer identification number</b> 57-6000743	
		<b>E Telephone number</b> 803-799-9574	
		<b>F Name and address of principal officer</b> Miriam Hair same as C above	
<b>I Tax-exempt status</b> <input type="checkbox"/> 501(c)(3) <input checked="" type="checkbox"/> 501(c) ( 4 ) (insert no) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527		<b>H(a) Is this a group return for subordinates?</b> <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
<b>J Website:</b> ► <a href="http://www.masc.sc">www.masc.sc</a>		<b>H(b) Are all subordinates included?</b> <input type="checkbox"/> Yes <input type="checkbox"/> No If "No," attach a list (see instructions)	
<b>K Form of organization</b> <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other ►		<b>L Year of formation</b> 1939 <b>M State of legal domicile</b> SC	

**Part I Summary**

<b>Activities &amp; Governance</b>	1 Briefly describe the organization's mission or most significant activities: The Municipal Association of SC is dedicated to the principle of its founding members: to offer the services, programs and tools 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.		
<b>Revenue</b>	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
<b>Expenses</b>	5 Total number of individuals employed in calendar year 2013 (Part V, line 2a)	5	52
	6 Total number of volunteers (estimate if necessary)	6	156
<b>Net Assets or Fund Balances</b>	7a Total unrelated business revenue from Part VIII, column (C), line 12	7a	77,499
	b Net unrelated business taxable income from Form 990-T, line 34	7b	-0-
		<b>Prior Year</b>	<b>Current Year</b>
	8 Contributions and grants (Part VIII, line 1h)	-0-	-0-
	9 Program service revenue (Part VIII, line 2g)	7,695,468	8,055,604
	10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)	251,425	209,463
	11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9g, 10c, and 11e)	369,866	254,196
	12 Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	8,316,759	8,519,263
	13 Grants and similar amounts paid (Part IX, column (A), lines 1-3)	5,000	5,000
	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)	4,805,438	4,974,559
	16a Professional fundraising fees (Part IX, column (A), line 11e)	-0-	-0-
	b Total fundraising expenses (Part IX, column (D), line 25) ►		
	17 Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e)	2,998,107	3,066,903
	18 Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25)	7,808,545	8,046,462
	19 Revenue less expenses. Subtract line 18 from line 12	508,214	472,801
		<b>Beginning of Current Year</b>	<b>End of Year</b>
	20 Total assets (Part X, line 16)	19,963,786	15,805,363
	21 Total liabilities (Part X, line 26)	5,959,072	1,529,800
	22 Net assets or fund balances. Subtract line 21 from line 20	14,004,714	14,275,563

**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.

<b>Sign Here</b>	<i>Miriam O. Hair</i>	Date <i>11/13/2014</i>			
	Signature of officer				
	<i>Miriam O. Hair Executive Director</i>				
	Type or print name and title				
<b>Paid Preparer Use Only</b>	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	Firm's name ►		Firm's EIN ►		
	Firm's address ►		Phone no		

May the IRS discuss this return with the preparer shown above? (see instructions)  Yes  No

For Paperwork Reduction Act Notice, see the separate instructions.

Cat No 11282Y

Form 990 (2013)

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g14

**Part III Statement of Program Service Accomplishments**Check if Schedule O contains a response or note to any line in this Part III 1 Briefly describe the organization's mission:

**The Municipal Association of South Carolina represents and serves the state's 270 incorporated municipalities. The Association is dedicated to the principle of its founding members: to offer the services, programs and tools 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 organization's program service accomplishments for each of its three largest program services, as measured by expenses. Section 501(c)(3) and 501(c)(4) organizations 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 \$ 3,202,542 including grants of \$ 0-) (Revenue \$ 768,259)

**EDUCATION:** The Association sponsors training and education opportunities through general and specialized interest meetings, training institutes, communications/publications, achievement awards, field services and sponsorship of 11 affiliate groups. The Association provides ongoing support for the following affiliate groups: SC Business Licensing Officials Association, SC Utility Billing Association, SC Community Development Association, Municipal Finance Officers, Clerks and Treasurer's Association, Municipal Human Resources Association, SC Municipal Attorneys Association, SC Association of Stormwater Managers, Municipal Technology Association of SC, SC Association of Municipal Power Systems, Municipal Court Administration Association of SC and the Association of SC Mayors. See Schedule O for program details and accomplishments.

4b (Code: \_\_\_\_\_) (Expenses \$ 1,920,296 including grants of \$ 0-) (Revenue \$ 2,061,185)

**RISK MANAGEMENT AND INSURANCE SERVICES:** The Association manages four insurance programs including two self-funded insurance programs, an insurance agency and an OPEB trust. Services provided include: workers compensation insurance, property and liability insurance, placement of ancillary policies and an 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 programs to lower their insurance costs. RMS also assists members through written programs/standards, audits and inspections, technical assistance training sessions, online training courses, safety grants, a newsletter and other resources. Further information on the individual programs is provided in Schedule O.

4c (Code: \_\_\_\_\_) (Expenses \$ 1,256,582 including grants of \$ 0-) (Revenue \$ 4,629,690)

Municipalities in South Carolina contract with the Association to collect delinquent debts and certain business license taxes on their behalf. These programs provide for centralized and efficient collections for participating municipalities and streamlines the tax payment process. Programs are offered for the collection of insurance taxes, telecommunication taxes, brokers taxes and a setoff debt collection program. See Schedule O for program details and accomplishments.

4d Other program services (Describe in Schedule O.)

(Expenses \$ 1,221,295 including grants of \$ 5,000) (Revenue \$ 596,470)

4e Total program service expenses ► 7,600,715

**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 <i>Schedule B, Schedule of Contributors</i> (see instructions)?	✓	
3	Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? If "Yes," complete Schedule C, Part I		✓
4	<b>Section 501(c)(3) organizations.</b> Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? If "Yes," complete Schedule C, Part II		
5	Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? If "Yes," complete Schedule C, Part III		
6	Did the organization maintain any donor advised funds or any similar funds or accounts for which 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, for escrow or custodial account liability; 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 temporarily restricted endowments, permanent endowments, or quasi-endowments? If "Yes," complete Schedule D, Part V		
11	If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable.		
a	Did the organization report an amount for land, buildings, and equipment in Part X, line 10? If "Yes," complete Schedule D, Part VI		
b	Did the organization report an amount for investments—other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VII		
c	Did the organization report an amount for investments—program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VIII		
d	Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part IX		
e	Did the organization report an amount for other liabilities in Part X, line 25? If "Yes," complete Schedule D, Part X		
f	Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? If "Yes," complete Schedule D, Part X		
12a	Did the organization obtain separate, independent audited financial statements for the tax year? If "Yes," complete Schedule D, Parts XI and XII		
b	Was the organization included in consolidated, independent audited financial statements for the tax year? If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI and XII is optional		
13	Is the organization a school described in section 170(b)(1)(A)(ii)? If "Yes," complete Schedule E		
14a	Did the organization maintain an office, employees, or agents outside of the United States?		
b	Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at \$100,000 or more? If "Yes," complete Schedule F, Parts I and IV		
15	Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or other assistance to or for any foreign organization? If "Yes," complete Schedule F, Parts II and IV		
16	Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or other assistance to or for foreign individuals? If "Yes," complete Schedule F, Parts III and IV		
17	Did the organization report a total of more than \$15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? If "Yes," complete Schedule G, Part I (see instructions)		
18	Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? If "Yes," complete Schedule G, Part II		
19	Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? If "Yes," complete Schedule G, Part III		
20a	Did the organization operate one or more hospital facilities? If "Yes," complete Schedule H		
b	If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return?		

**Part IV Checklist of Required Schedules (continued)**

21 Did the organization report more than \$5,000 of grants or other assistance to any domestic organization or government on Part IX, column (A), line 1? If "Yes," complete Schedule I, Parts I and II . . . . .

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

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

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

- b Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception? . . . . .
- c Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds? . . . . .
- d Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year? . . . . .

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

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

26 Did the organization report any amount on Part X, line 5, 6, or 22 for receivables from or payables to any current or former officers, directors, trustees, key employees, highest compensated employees, or disqualified persons? If so, complete Schedule L, Part II . . . . .

27 Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity or family member of any of these persons? If "Yes," complete Schedule L, Part III . . . . .

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

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

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

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

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

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

33 Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? If "Yes," complete Schedule R, Part I . . . . .

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

35a Did the organization have a controlled entity within the meaning of section 512(b)(13)? . . . . .

- b If "Yes" to line 35a, did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? If "Yes," complete Schedule R, Part V, line 2 . . . . .

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

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

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

	Yes	No
21	✓	
22	✓	
23	✓	
24a		✓
24b		
24c		
24d		
25a	✓	
25b	✓	
26	✓	
27	✓	
28a	✓	
28b	✓	
28c	✓	
29	✓	
30	✓	
31	✓	
32	✓	
33	✓	
34	✓	
35a		✓
35b		
36		
37		✓
38	✓	

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

		Yes	No
1a	Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable	1a	49
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	52
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns? <b>Note.</b> If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions)	2b	✓
3a	Did the organization have unrelated business gross income of \$1,000 or more during the year?	3a	✓
b	If "Yes," has it filed a Form 990-T for this year? If "No" to line 3b, 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)?  b If "Yes," enter the name of the foreign country: ► See instructions for filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.	4a	✓
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?	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 as charitable contributions?	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	<b>Organizations that may receive deductible contributions under section 170(c).</b>	7a	
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?	7b	
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?	7c	
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?	7d	
d	If "Yes," indicate the number of Forms 8282 filed during the year	7e	
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	7f	
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?	7g	
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?	7h	
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?	8	
8	<b>Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations.</b> Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?	9a	
9	<b>Sponsoring organizations maintaining donor advised funds.</b>	9b	
a	Did the organization make any taxable distributions under section 4966?	10a	
b	Did the organization make a distribution to a donor, donor advisor, or related person?	10b	
10	<b>Section 501(c)(7) organizations.</b> Enter:	11a	
a	Initiation fees and capital contributions included on Part VIII, line 12	11b	
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	12a	
11	<b>Section 501(c)(12) organizations.</b> Enter:	12b	
a	Gross income from members or shareholders	13a	
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them.)	13b	
12a	<b>Section 4947(a)(1) non-exempt charitable trusts.</b> Is the organization filing Form 990 in lieu of Form 1041?	13c	
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year.	14a	✓
13	<b>Section 501(c)(29) qualified nonprofit health insurance issuers.</b>	14b	
a	Is the organization licensed to issue qualified health plans in more than one state?		
b	<b>Note.</b> See the instructions for additional information the organization must report on Schedule O.		
c	Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans		
14a	Did the organization receive any payments for indoor tanning services during the tax year?		
b	If "Yes," has it filed a Form 720 to report these payments? If "No," provide an explanation in Schedule O		

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

### Section A. Governing Body and Management

1a Enter the number of voting members of the governing body at the end of the tax year. **1a 18**  
 If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain in Schedule O.

1b Enter the number of voting members included in line 1a, above, who 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 governing documents since the prior Form 990 was filed? **4 ✓**

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

6 Did the organization have members or stockholders? **6 ✓**

7a Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body? **7a ✓**

b Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body? **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. **9 ✓**

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

10a Did the organization have local chapters, branches, or affiliates? **10a ✓**  
 b If "Yes," did the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with the organization's exempt purposes? **10b ✓**

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

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

13 Did the organization have a written whistleblower policy? **13 ✓**

14 Did 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? **15a ✓**  
 a The organization's CEO, Executive Director, or top management official **15b ✓**  
 b Other officers or key employees of the organization  
 If "Yes" to line 15a or 15b, describe the process in Schedule O (see instructions).

16a Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year? **16a ✓**  
 b If "Yes," did the organization follow a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and take 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 (Section 501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply.  
 Own website  Another's website  Upon request  Other (explain in Schedule O)

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

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, 1411 Gervais St, Columbia SC 29201; 803-933-1234**

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

Check if Schedule O contains a response or note to any line in this Part VII . . . . .

**Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees**

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

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

• List all of the organization's **current** key employees, if any. See instructions for definition of "key employee."

• List the organization's five **current** highest compensated employees (other than an officer, director, trustee, or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than \$100,000 from the organization and any related organizations.

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

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

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

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

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)					(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 director	Institutional trustee	Officer	Key employee	Highest compensated employee			
(1) Welborn Adams Board member	1	✓					-0-	-0-	-0-
(2) Lovith Anderson Board member	1	✓					-0-	-0-	-0-
(3) Dick Cronin Board member	1	✓					-0-	-0-	-0-
(4) Richard Danner Board member / Past President	1	✓		✓			-0-	-0-	-0-
(5) Alfred Mae Drakeford Board member	1	✓					-0-	-0-	-0-
(6) Ed Driggers Board member	1	✓					-0-	-0-	-0-
(7) Dwayne Howell Board member	1	✓					-0-	-0-	-0-
(8) William Johnson Board Member	1	✓					-0-	-0-	-0-
(9) Alys Lawson Board member / 3rd VP / 2nd VP	1	✓		✓			-0-	-0-	-0-
(10) Joe Lee Board member	1	✓					-0-	-0-	-0-
(11) Gary Long Board member	1	✓					-0-	-0-	-0-
(12) Paul Miller Board member / Past President	1	✓		✓			-0-	-0-	-0-
(13) Joseph McElveen, Jr. Board member / 1st VP / President	1	✓		✓			-0-	-0-	-0-
(14) Elise Partin Board member	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 (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)					(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				
(15) Sheryl Patrick	1	✓						-0-	-0-	-0-
Board member										
(16) Steve Riley	1	✓						-0-	-0-	-0-
Board member										
(17) Terence Roberts	1	✓		✓				-0-	-0-	-0-
Board member / 2nd VP / 1st VP										
(18) Jack Scoville	1	✓						-0-	-0-	-0-
Board member										
(19) Harold Thompson	1	✓						-0-	-0-	-0-
Board member										
(20) Octavia Williams-Blake	1	✓						-0-	-0-	-0-
Board member										
(21) Kathleen Wilson	1	✓						-0-	-0-	-0-
Board member										
(22) Bill Young	1	✓		✓				-0-	-0-	-0-
Board member / 3rd VP										
(23) Miriam Hair	40			✓			266,009	-0-	33,342	
Executive Director										
(24) Stephanie O'Cain	40			✓			128,632	-0-	27,576	
Chief Financial Officer										
(25) Eric Budds	40				✓		171,726	-0-	27,413	
Deputy Executive Director										
1b Sub-total						►	566,367	-0-	88,331	
c Total from continuation sheets to Part VII, Section A						►	554,843	-0-	87,405	
d Total (add lines 1b and 1c)						►	1,121,210	-0-	175,736	

2 Total number of individuals (including but not limited to those listed above) who received more than \$100,000 of reportable compensation from the organization ► 7

	Yes	No
3		✓
4	✓	
5		✓

**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. Report compensation for the calendar year ending with or within the organization's tax year.

(A) Name and business address	(B) Description of services	(C) Compensation
VC3, Inc.; 1301 Gervais St. Suite 1800, Columbia, SC 29201	Info Tech Consulting	470,320
Sowell Gray, Stepp & Laffitte, LLC; PO Box 11449, Columbia SC 29211	Collection Prgm Legal	164,073
Patrick DeMouy; PO Box 23406, Columbia, SC 29224	Collection Prgm Consultant	147,947

2 Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 of compensation from the organization ► 3

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

(A) Name and title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)					(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
		Officer or director	Individual trustee	Institutional trustee	Officer	Key employee			
(15) Reba Campbell	40				✓				
(26) Deputy Executive Director							175,350	-0-	25,532
(10) Heather Ricard	40				✓				
(21) Director Risk Management Services							159,789	-0-	22,623
(17) Melissa Carter	40					✓			
(29) Research and Legislative Liaison						✓	104,721	-0-	21,166
(18) Scott Slatton	40					✓			
(29) Legislative and Public Policy Advocate						✓	114,983	-0-	18,084
(19)									
(20)									
(21)									
(22)									
(23)									
(24)									
(25)									
1b Sub-total . . . . .							554,843	-0-	87,405
c Total from continuation sheets to Part VII, Section A . . . . .									
d Total (add lines 1b and 1c) . . . . .									
2 Total number of individuals (including but not limited to those listed above) who received more than \$100,000 of reportable compensation from the organization ►									
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 . . . . .									
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 or individual 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. Report compensation for the calendar year ending with or within the organization's tax year.

(A) Name and business address	(B) Description of services	(C) Compensation
2 Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 of compensation from the organization ►		

**Part VIII Statement of Revenue**Check if Schedule O contains a response or note to any line in this Part VIII. 

		(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512-514	
Contributions, Gifts, Grants and Other Similar Amounts	1a Federated campaigns . . .	1a -0-				
	1b Membership dues . . .	1b -0-				
	1c Fundraising events . . .	1c -0-				
	1d Related organizations . . .	1d -0-				
	1e Government grants (contributions)	1e -0-				
	f All other contributions, gifts, grants, and similar amounts not included above	1f -0-				
	g Noncash contributions included in lines 1a-1f: \$	-0-				
<b>h Total. Add lines 1a-1f . . . ►</b>	<b>-0-</b>					
Program Service Revenue	<b>Business Code</b>					
	2a Collections services	900099	4,629,690	4,629,690		
	b Risk management services	900099	2,061,185	2,061,185		
	c Education	900099	768,259	768,259		
	d Member dues	900099	534,402	534,402		
	e Information services	900099	62,068	62,068		
	f All other program service revenue .					
<b>g Total. Add lines 2a-2f . . . ►</b>	<b>8,055,604</b>					
Other Revenue	3 Investment income (including dividends, interest, and other similar amounts) . . . ►	204,357		344	204,013	
	4 Income from investment of tax-exempt bond proceeds ►					
	5 Royalties . . . ►					
	6a Gross rents . . .	(i) Real -0-	(ii) Personal -0-			
	b Less: rental expenses	-0-	-0-			
	c Rental income or (loss)	-0-	-0-			
	d Net rental income or (loss) . . . ►					
	7a Gross amount from sales of assets other than inventory	(i) Securities 1,717,129	(ii) Other 9,060			
	b Less: cost or other basis and sales expenses .	1,716,872	4,211			
	c Gain or (loss) .	257	4,849			
	d Net gain or (loss) . . . ►		<b>5,106</b>			<b>5,106</b>
	8a Gross income from fundraising events (not including \$ . . . of contributions reported on line 1c). See Part IV, line 18 . . . a		-0-			
	b Less: direct expenses . . . b		-0-			
	c Net income or (loss) from fundraising events . ►		-0-			
9a Gross income from gaming activities. See Part IV, line 19 . . . a		-0-				
b Less: direct expenses . . . b		-0-				
c Net income or (loss) from gaming activities . ►		-0-				
10a Gross sales of inventory, less returns and allowances . . . a		-0-				
b Less: cost of goods sold . . . b		-0-				
c Net income or (loss) from sales of inventory . . . ►		-0-				
<b>Miscellaneous Revenue</b>		<b>Business Code</b>				
11a Gervais Street Associates	531120	150,332			150,332	
b Municipal Insurance Services	524298	77,155		77,155		
c SCLGAG return of assets	524298	7,704	7,704			
d All other revenue . . .		19,005	7,000		12,005	
e Total. Add lines 11a-11d . . . ►		<b>254,196</b>				
<b>12 Total revenue. See instructions.</b> . . . ►	<b>8,519,263</b>	<b>8,070,308</b>	<b>77,499</b>		<b>371,456</b>	

**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).

Check if Schedule O contains a response or note to any line in this Part IX 

<b>Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.</b>	<b>(A) Total expenses</b>	<b>(B) Program service expenses</b>	<b>(C) Management and general expenses</b>	<b>(D) Fundraising expenses</b>
1 Grants and other assistance to governments and organizations in the United States. See Part IV, line 21	5,000	5,000		
2 Grants and other assistance to individuals in the United States. See Part IV, line 22	-0-	-0-		
3 Grants and other assistance to governments, organizations, and individuals outside the United States. 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	1,037,992	988,466	49,526	-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	2,795,880	2,662,481	133,399	-0-
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)	311,385	296,528	14,857	-0-
9 Other employee benefits	555,388	528,889	26,499	-0-
10 Payroll taxes	273,914	260,845	13,069	-0-
11 Fees for services (non-employees):				
a Management	-0-	-0-	-0-	-0-
b Legal	214,501	213,069	1,432	-0-
c Accounting	34,588	13,603	20,985	-0-
d Lobbying	52,624	52,624	-0-	-0-
e Professional fundraising services. See Part IV, line 17	-0-			-0-
f Investment management fees	8,024	-0-	8,024	-0-
g Other. (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O.)	330,691	322,352	8,339	-0-
12 Advertising and promotion	9,931	9,886	45	-0-
13 Office expenses	199,017	162,458	36,559	-0-
14 Information technology	257,231	242,975	14,256	-0-
15 Royalties	-0-	-0-	-0-	-0-
16 Occupancy	549,287	544,219	5,068	-0-
17 Travel	149,659	141,721	7,938	-0-
18 Payments of travel or entertainment expenses for any federal, state, or local public officials	6,633	-0-	6,633	-0-
19 Conferences, conventions, and meetings	566,416	526,974	39,442	-0-
20 Interest	-0-	-0-	-0-	-0-
21 Payments to affiliates	-0-	-0-	-0-	-0-
22 Depreciation, depletion, and amortization	265,496	256,037	9,459	-0-
23 Insurance	32,279	638	31,641	-0-
24 Other expenses. Itemize expenses not covered above (List miscellaneous expenses in line 24e. If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O.)				
a Software/Hardware Maintenance	149,526	135,549	13,977	-0-
b Printing	130,913	130,518	395	-0-
c Organizational dues	30,892	30,828	64	-0-
d Non capitalized assets	26,809	25,857	952	-0-
e All other expenses	52,386	49,198	3,188	-0-
25 Total functional expenses. Add lines 1 through 24e	8,046,462	7,600,715	445,747	-0-
26 Joint costs. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation. Check here ► <input type="checkbox"/> if following SOP 98-2 (ASC 958-720)				

**Part X Balance Sheet**Check if Schedule O contains a response or note to any line in this Part X 

		(A) Beginning of year	(B) End of year
Assets	1 Cash—non-interest-bearing	200	1
	2 Savings and temporary cash investments	8,047,983	2
	3 Pledges and grants receivable, net	-0-	3
	4 Accounts receivable, net	8,935	4
	5 Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L	-0-	16,955
	6 Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions). Complete Part II of Schedule L	-0-	-0-
	7 Notes and loans receivable, net	100,000	7
	8 Inventories for sale or use	-0-	8
	9 Prepaid expenses and deferred charges	64,225	9
	10a Land, buildings, and equipment. cost or other basis. Complete Part VI of Schedule D	10a	4,048,004
	b Less: accumulated depreciation	10b	3,522,762
	11 Investments—publicly traded securities	584,764	10c
	12 Investments—other securities. See Part IV, line 11	6,140,357	11
	13 Investments—program-related. See Part IV, line 11	4,965,395	12
	14 Intangible assets	-0-	13
	15 Other assets. See Part IV, line 11	-0-	14
	<b>16 Total assets.</b> Add lines 1 through 15 (must equal line 34)	51,927	15
		19,963,786	16
		19,963,786	15,805,363
Liabilities	17 Accounts payable and accrued expenses	752,938	17
	18 Grants payable	-0-	18
	19 Deferred revenue	282,614	19
	20 Tax-exempt bond liabilities	-0-	20
	21 Escrow or custodial account liability. Complete Part IV of Schedule D	3,933	21
	22 Loans and other payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L	-0-	22
	23 Secured mortgages and notes payable to unrelated third parties	-0-	23
	24 Unsecured notes and loans payable to unrelated third parties	-0-	24
	25 Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24) Complete Part X of Schedule D	4,919,587	25
	<b>26 Total liabilities.</b> Add lines 17 through 25	5,959,072	26
Net Assets or Fund Balances	Organizations that follow SFAS 117 (ASC 958), check here ► <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.		
	27 Unrestricted net assets	14,004,714	27
	28 Temporarily restricted net assets	-0-	28
	29 Permanently restricted net assets	-0-	29
	Organizations that do not follow SFAS 117 (ASC 958), check here ► <input type="checkbox"/> and complete lines 30 through 34.		
	30 Capital stock or trust principal, or current funds	30	
	31 Paid-in or capital surplus, or land, building, or equipment fund	31	
	32 Retained earnings, endowment, accumulated income, or other funds	32	
	<b>33 Total net assets or fund balances</b>	14,004,714	33
	<b>34 Total liabilities and net assets/fund balances</b>	19,963,786	34

**Part XI Reconciliation of Net Assets**Check if Schedule O contains a response or note to any line in this Part XI 

1	Total revenue (must equal Part VIII, column (A), line 12) . . . . .	1	8,519,263
2	Total expenses (must equal Part IX, column (A), line 25) . . . . .	2	8,046,462
3	Revenue less expenses. Subtract line 2 from line 1 . . . . .	3	472,801
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A)) . . . . .	4	14,004,714
5	Net unrealized gains (losses) on investments . . . . .	5	(201,952)
6	Donated services and use of facilities . . . . .	6	-0-
7	Investment expenses . . . . .	7	-0-
8	Prior period adjustments . . . . .	8	-0-
9	Other changes in net assets or fund balances (explain in Schedule O) . . . . .	9	-0-
10	Net assets or fund balances at end of year. Combine lines 3 through 9 (must equal Part X, line 33, column (B)) . . . . .	10	14,275,563

**Part XII Financial Statements and Reporting**Check if Schedule O contains a response or note to any line in this Part XII 

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? . . .  
If "Yes," check a box below to indicate whether the financial statements for the year were compiled or reviewed on a separate basis, consolidated basis, or both:  
 Separate basis  Consolidated basis  Both consolidated and separate basis

2b Were the organization's financial statements audited by an independent accountant? . . .  
If "Yes," check a box below to indicate whether the financial statements for the year were audited on a separate basis, consolidated basis, or both:  
 Separate basis  Consolidated basis  Both consolidated and separate basis

2c 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.

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? . . . . .

3b 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, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b.

► Attach to Form 990.

► Information about Schedule D (Form 990) and its instructions is at [www.irs.gov/form990](http://www.irs.gov/form990).

OMB No 1545-0047

**2013**Open to Public  
Inspection

Name of the organization

Employer identification number

Municipal Association of South Carolina

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 education) <input type="checkbox"/> Preservation of an historically important land area
	<input type="checkbox"/> Protection of natural habitat <input type="checkbox"/> Preservation of a certified historic structure
	<input type="checkbox"/> Preservation of open space
2 Complete lines 2a through 2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year.	<b>Held at the End of the Tax Year</b>
a Total number of conservation easements . . . . .	2a
b Total acreage restricted by conservation easements . . . . .	2b
c Number of conservation easements on a certified historic structure included in (a) . . . . .	2c
d Number of conservation easements included in (c) acquired after 8/17/06, and not on a historic structure listed in the National Register . . . . .	2d
3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the tax year ►	
4 Number of states where property subject to conservation easement is located ►	
5 Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds? . . . . .	<input type="checkbox"/> Yes <input type="checkbox"/> 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)? . . . . .	<input type="checkbox"/> Yes <input type="checkbox"/> No
9 In Part XIII, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements.	

**Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets.**

Complete if the organization answered "Yes" to Form 990, Part IV, line 8.

1a If the organization elected, as permitted under SFAS 116 (ASC 958), not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide, in Part XIII, the text of the footnote to its financial statements that describes these items	► \$ . . . . .
b If the organization elected, as permitted under SFAS 116 (ASC 958), to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items:	
(i) Revenues included in Form 990, Part VIII, line 1 . . . . .	► \$ . . . . .
(ii) Assets included in Form 990, Part X . . . . .	► \$ . . . . .
2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 (ASC 958) relating to these items:	
a Revenues included in Form 990, Part VIII, line 1 . . . . .	► \$ . . . . .
b Assets included in Form 990, Part X . . . . .	► \$ . . . . .

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

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

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

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

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 XIII and complete the following table:

	Amount
1c	
1d	
1e	
1f	

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

b If "Yes," explain the arrangement in Part XIII. Check here if the explanation has been provided in Part XIII.

**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 current year end balance (line 1g, column (a)) held as:

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

The percentages in lines 2a, 2b, and 2c should equal 100%.

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

(i) unrelated organizations . . . . .  
 (ii) related organizations . . . . .

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

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

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

**Part VI Land, Buildings, and Equipment.**

Complete if the organization answered "Yes" to Form 990, Part IV, line 11a. See Form 990, Part X, line 10.

	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land				
b Buildings				
c Leasehold improvements		101,866	40,335	61,531
d Equipment		124,348	94,193	30,155
e Other		3,821,790	3,388,234	433,556

**Total.** Add lines 1a through 1e. (Column (d) must equal Form 990, Part X, column (B), line 10(c).) . . . . . ►

**Part VII Investments—Other Securities.**

Complete if the organization answered "Yes" to Form 990, Part IV, line 11b. See Form 990, Part X, line 12.

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation Cost or end-of-year market value
(1) Financial derivatives		
(2) Closely-held equity interests	4,272,822	Cost
(3) Other		
(A) Investment in VC3, Inc.	663,041	Cost
(B) Stock receivable from VC3, Inc.	93,124	Cost
(C)		
(D)		
(E)		
(F)		
(G)		
(H)		
<b>Total. (Column (b) must equal Form 990, Part X, col. (B) line 12.) ►</b>	<b>5,028,987</b>	

**Part VIII Investments—Program Related.**

Complete if the organization answered "Yes" to Form 990, Part IV, line 11c. See Form 990, Part X, line 13.

(a) Description of investment	(b) Book value	(c) Method of valuation Cost or end-of-year market value
(1)		
(2)		
(3)		
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
<b>Total. (Column (b) must equal Form 990, Part X, col. (B) line 13.) ►</b>		

**Part IX Other Assets.**

Complete if the organization answered "Yes" to Form 990, Part IV, line 11d. See Form 990, Part X, line 15.

(a) Description	(b) Book value
(1)	
(2)	
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
<b>Total. (Column (b) must equal Form 990, Part X, col. (B) line 15.) ►</b>	

**Part X Other Liabilities.**

Complete if the organization answered "Yes" to Form 990, Part IV, line 11e or 11f. See Form 990, Part X, line 25.

1. (a) Description of liability	(b) Book value
(1) Federal income taxes	
(2) Due to municipalities-collection services	114,496
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
<b>Total. (Column (b) must equal Form 990, Part X, col. (B) line 25.) ►</b>	<b>114,496</b>

2. Liability for uncertain tax positions. In Part XIII, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48 (ASC 740). Check here if the text of the footnote has been provided in Part XIII

**Part XI Reconciliation of Revenue per Audited Financial Statements With Revenue per Return.**  
Complete if the organization answered "Yes" to Form 990, Part IV, line 12a.

1	Total revenue, gains, and other support per audited financial statements	1	8,282,826
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12:		
a	Net unrealized gains on investments	2a	(201,952)
b	Donated services and use of facilities	2b	-0-
c	Recoveries of prior year grants	2c	-0-
d	Other (Describe in Part XIII.)	2d	-0-
e	Add lines 2a through 2d	2e	(201,952)
3	Subtract line 2e from line 1	3	8,484,778
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	34,485
b	Other (Describe in Part XIII.)	4b	-0-
c	Add lines 4a and 4b	4c	34,485
5	Total revenue. Add lines 3 and 4c. (This must equal Form 990, Part I, line 12.)	5	8,519,263

**Part XII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return.**  
Complete if the organization answered "Yes" to Form 990, Part IV, line 12a.

1	Total expenses and losses per audited financial statements	1	8,011,977
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 XIII.)	2d	-0-
e	Add lines 2a through 2d	2e	-0-
3	Subtract line 2e from line 1	3	8,011,977
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	34,485
b	Other (Describe in Part XIII.)	4b	-0-
c	Add lines 4a and 4b	4c	34,485
5	Total expenses. Add lines 3 and 4c. (This must equal Form 990, Part I, line 18.)	5	8,046,462

**Part XIII Supplemental Information.**

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, lines 2d and 4b; and Part XII, 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 the account for legitimate SCDDA expenses.**

**Part XIII      Supplemental Information (continued)**

**SCHEDULE J**  
(Form 990)

**Compensation Information**

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

OMB No 1545-0047

**2013**

Open to Public  
Inspection

Department of the Treasury  
Internal Revenue Service

► Complete if the organization answered "Yes" on Form 990, Part IV, line 23.  
► Attach to Form 990. ► See separate instructions.

► Information about Schedule J (Form 990) and its instructions is at [www.irs.gov/form990](http://www.irs.gov/form990).

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57-6000743

Municipal Association of South Carolina

**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 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.

	Yes	No
1a	✓	

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

2	✓
---	---

**3** Indicate which, if any, of the following the filing organization used to establish the compensation of the organization's CEO/Executive Director. Check all that apply. Do not check any boxes for methods used by a related organization to establish compensation of the CEO/Executive Director, but explain in Part III.

<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

4a	✓
4b	✓
4c	✓

**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.

5a	✓
5b	✓

**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.

6a	✓
6b	✓

**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	✓
8	✓

**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 Regulations 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)?

**Part II Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees.** Use duplicate copies if additional space is needed.

For each individual whose compensation must be reported in Schedule J, report compensation from the organization on row (i) and from related organizations, described in the instructions, on row (ii). Do not list any individuals that are not listed on Form 990, Part VI.

**Note.** The sum of columns (B)(i)–(iii) for each listed individual must equal the total amount of Form 990, Part VII, Section A, line 1a, applicable column (D) and (E) amounts for that individual.

(A) Name and Title	(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)–(D)	(F) Compensation reported as deferred in prior Form 990
	(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
1 Miriam Hair/Executive Director	(i) 254,000	(ii) -0-	(iii) 0	12,009	27,455	5,887	299,351
2 Stephanie O'Cain/CFO	(i) 128,928	(ii) -0-	(iii) 0	(296)	14,198	13,378	156,208
3 Reba Campbell/Deputy Exec Dir	(i) 169,576	(ii) -0-	(iii) 0	5,774	18,506	7,026	200,882
4 Eric Budds/Deputy Exec Dir	(i) 167,746	(ii) -0-	(iii) 0	3,981	18,312	9,101	199,139
5 Heather Ricard/Director RMS	(i) 152,880	(ii) -0-	(iii) 0	6,909	16,736	5,887	182,412
6	(i)	(ii)	(iii)		-0-	-0-	-0-
7	(i)	(ii)	(iii)				
8	(i)	(ii)	(iii)				
9	(i)	(ii)	(iii)				
10	(i)	(ii)	(iii)				
11	(i)	(ii)	(iii)				
12	(i)	(ii)	(iii)				
13	(i)	(ii)	(iii)				
14	(i)	(ii)	(iii)				
15	(i)	(ii)	(iii)				
16	(i)	(ii)	(iii)				

**Part III Supplemental Information**

Provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 3, 4a, 4b, 4c, 5a, 5b, 6a, 6b, 7, and 8, and for Part II. Also complete this part for any additional information.

**Part 1 Line 1a (1) 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." Travel is provided for board member, companions, and listed persons in Part VII of 990 for certain meetings.

None of this is treated as taxable compensation.

**Part 1 Line 1a (2) Health club dues:** Dues for health clubs are reimbursed for all employees up to a \$35 per month maximum and only if the employee meets certain wellness initiative criteria.

Reimbursed amounts are included as taxable compensation in employee's Form W-2 at year end. Ms. Campbell was the only listed person from Part VII of Form 990 to receive this benefit.

**Part 1 Line 1b** The Association has an accountable plan requiring substantiation of all business expenses incurred on behalf of the Municipal Association of South Carolina.

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

**Part III Statement of Program Service Accomplishments**

Information on program service accomplishments listed below includes information from the Association's published Annual Report

prepared for the annual meeting held in July 2014. This report covers the one year period between the Association's annual meetings. As

such, some of the program statistics provided may reflect activity from the first six months of 2014 as well as 2013 activity.

**Part III Line 4a-Communication and Education: Expenses \$3,202,542 Revenues \$768,259**

The Association sponsors training and education opportunities through general and specialized interest meetings, training institutes, communications/publications, a field service program and sponsorship of 11 affiliate groups.

**Annual Meeting:** In 2013, 457 municipal officials from 147 cities attended the Annual Meeting in Greenville. The meeting provided networking opportunities for the attendees and training on topics that included a keynote and breakout session on the topic of marketing and branding cities. There were also sessions on economic development, engaging residents, governing, parliamentary procedure, business incubators, cybersecurity, and the benefits of city and county partnerships.

**Municipal Elected Officials Institute of Government:** Offers specialized training for elected officials to increase their understanding of local government operations. The Institute's credited courses consist of three training sessions held via web streaming to the ten councils of governments' locations and in-person sessions. The Association recognized 74 new graduates in 2013. The Institute launched three on-demand courses and made Institute transcripts available online. The Association sponsored the Institute in partnership with the University of South Carolina's Institute for Public Service and Policy Research and Clemson University's Strom Thurmond Institute.

**Municipal Clerks and Treasurers Institute:** Provides specialized training for municipal employees serving in the clerk/treasurer profession. This year, the Association sponsored the Municipal Clerks and Treasurers Institute with the SC Municipal Finance Officers, Clerks and Treasurers Association of SC and the University of South Carolina's Institute for Public Service and Policy Research. Topics included forms of government, financial management, the role of the municipal clerk, business license administration, election administration, effective decision making, and interpersonal communication skills. The semi-annual training sessions were attended by 91 registrants with 13 municipal employees graduating from the program.

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**Local Government Planning and Zoning Officials Orientation Training:** Provides resource materials to meet the six hour orientation training requirement of the SC Comprehensive Planning Act for new local government planning and zoning officials. Training materials are prepared by the Association and approved by the State Advisory Committee on Educational Requirements. These materials allow facilitators the flexibility to incorporate local examples for discussion. This year, 95 individuals completed the training.

**South Carolina Local Government Information Technology Education and Certification Program:** Assesses and addresses some of the most critical issues facing IT leadership in local government. Graduates of the program achieve the nationally recognized designation of Certified Government Chief Information Officer. Due to an insufficient number of required participants, this program was not offered during 2013. The Association plans to offer this program again in future years based on demand.

**South Carolina Local Government Management Training:** This program is designed for city and county managers/administrators and assistants who are new to the profession or new to the state. The Training is also beneficial for municipal employees interested in a career in city or county management. The program is a collaborative effort of the Municipal Association, the SC City and County Management Association, the University of South Carolina's Institute for Public Service and Policy Research, the SC Association of Counties, and the SC Association of County Managers, Administrators and Supervisors.

**Main Street South Carolina:** Began working with three new downtown programs this year, bringing the number of Main Street SC members to 12. Staff works to revitalize these 12 downtowns into vibrant centers of commerce and community following the National Main Street's Four Point Approach--Organization, Promotion, Design and Economic Restructuring. Main Street SC honored exceptional member accomplishments through its annual Inspiration Awards. Training sessions this year covered a variety of topics including using the arts to build strong communities and financing tools for downtowns. Member communities have access to many benefits including training for downtown leaders, strategic planning assistance and design services.

**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 focused on land use, planning, risk and liability, finance, law enforcement, municipal courts, and economic development. The Association prints and circulates approximately 5,000 copies of this monthly publication and also makes it available online. Uptown Update, a weekly e-newsletter, provides information about upcoming training opportunities and other timely topics.

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**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. Publications can also be downloaded at no charge. No advertisements are sold for inclusion in the Association's publications or newsletters. The Association's website, [www.masc.sc](http://www.masc.sc), provides a listing of available publications.**

**Municipal Association of South Carolina website:** The website, [www.masc.sc](http://www.masc.sc), offered more than 2,000 pages of information and provided access to more than 1,500 documents, presentations and external resources. Improvements to the website allow members to log in for quick access to services specific to their city and position. Training institute participants can view their transcripts online. This year, the site had more than 460,000 visits compared to 350,000 last year.

**Achievement Awards:** This annual awards program had entrants from 26 cities and towns for the 2013-2014 program year. Since its creation in 1987, 778 municipal projects have vied for the awards which recognize successful and innovative projects that improve the quality of life for residents and add value to the community. The program also encourages sharing of ideas among municipal officials.

**Field Services:** Field service managers, assigned to specific regions within the state, receive feedback from members and help municipal officials address issues of local concern. The identifying and resolving of minor challenges and concerns often prevent them from growing into major problems. Field service managers are available, at the request of a municipality, to provide hands-on technical support. This year, the field service managers traveled more than 58,000 miles, making more than 1,200 visits to South Carolina cities and towns.

**Sponsored Affiliates:** The Association supports 11 affiliate organizations, which provide training and networking for a variety of local government positions with specialized training needs. In addition to traditional face-to-face learning and networking opportunities, the affiliate associations use a listserve for members to share best practices and experiences and to ask specific questions related to their responsibilities. To support these groups and their approximately 1,800 members, Association staff planned and executed more than 30 meetings/events this year, providing more than 2,000 hours of programmed training. A brief description of each affiliate group's respective purpose and their membership base is provided below.

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**Association of South Carolina Mayors:** This group provides opportunities for its members to more fully engage in advocating for issues that affect cities and towns, to network, to take part in educational activities, and to share ideas and best practices. Training topics included parliamentary procedure, gang violence and downtown redevelopment. Membership base: 116.

**Municipal Court Administration Association:** Offers training to court administrators, clerks of court, municipal judges and other municipal employees involved in court administration. The SC Court Administration, SC Commission on CLE and Specialization, and the Office of Victims Services recognized these training sessions for continuing education credits. Training topics included best practices for court financials, bond estreatment, expungement procedures, legal updates and open forums with the staff from SC Court Administration and SC Department of Motor Vehicles. Members have opportunities to share ideas to make the business of court administration more efficient. Membership base: 235.

**Municipal Technology Association of SC:** Promotes the effective use of technology by local governments. Training is offered on how to provide better services and gain efficiencies using the latest technological innovations. Training topics this year included Criminal Justice Information System compliance, disaster recovery, new GIS software for local government and mobile device management. Government Management Information Sciences and the Center for Public Technology at the University of North Carolina's School of Government recognized this training for continuing education credits. Membership base: 91.

**SC Association of Stormwater Managers:** Offers quarterly training on stormwater management policies, changes in state and federal laws, and best practices. Training included effective implementation strategies for the six Minimum Control Measures of the reissued NPDES General Permit from Stormwater Discharges from Regulated MS4s and case studies featuring innovative programs and practices of group members. The South Carolina Board of Professional Engineers and Land Surveyors recognized this training for continuing education credits. Membership base: 179.

**SC Business Licensing Officials Association:** Promotes best practices for administering and enforcing the local business and professional license tax through training sessions and the professional designations program of Accreditation in Business Licensing (ABL) and Masters in Business Licensing (MBL). Recognizing the need to simplify the licensing process for businesses operating in multiple jurisdictions, this group created a standardized business license application. During the most recent training year, nine business licensing professionals received their ABL designation and five received the MBL designation. Membership base: 316.

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**SC Community Development Association:** Provides educational forums to address economic and community development needs and enhance members' professional performance. Members representing local, state and private entities learned about how cultural arts can drive community and economic development, effective community and economic development, effective community branding and way-finding strategies, and the Rural Infrastructure Authority. Membership base: 137.

**SC Municipal Attorneys Association:** Provides an annual training session designed to address the specialized needs of municipal attorneys. Session topics this year included the use of form-based codes, municipal employment law, municipal finance law, and updates on current municipal case law. The Supreme Court of South Carolina Commission on CLE and Specialization approved this training session for continuing education credits. 2013 annual meeting attendance: 109.

**Municipal Finance Officers, Clerks and Treasurers Association:** Offers training programs covering the wide range of responsibilities of finance officers, clerks and treasurers. Many of these training sessions qualified for continuing education credits for certified municipal clerks, certified public accountants and certified public treasurers. MFOCTA sponsors the Municipal Clerks and Treasurers Institute with the Municipal Association and the University of South Carolina's Institute for Public Service and Policy Research. Membership base: 213.

**Municipal Human Resources Association:** Promotes sound human resources administration and encourages innovative programs. Training programs are designed to provide information and the opportunity to exchange ideas among its members. Participants learned about complying with the federal Affordable Care Act, HR audits, Americans with Disabilities Act, Family Medical Leave Act and worker's compensation. Attendees also received legal updates and participated in open forums with labor attorneys. The National Human Resources Certification Institute recognized this training for continuing education credits. Membership base: 196.

**SC Utility Billing Association:** Provides customer service training for municipal utility systems. Additional training included technology for billing and meter reading, and best practices for water auditing and loss control. Membership base: 182.

**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 provides training for elected officials, management staff and operational personnel. Training sessions emphasize the effective, efficient, reliable and safe operation of municipal electric systems. Membership includes all 21 municipal electric utilities in South Carolina. SCAMPS is a separate

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**57-6000743****legal entity-see Schedule R.****Part III Line 4b-Risk Management and Insurance Services (RMS): Expenses \$1,920,296 Revenues: \$2,061,185**

The Association manages two self-funded insurance programs whose core members are South Carolina municipalities, an insurance agency and an OPEB trust. Member services provided include: workers compensation insurance, property and liability 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. The primary mission of these programs is to lower insurance costs through reduction of claims.

The RMS staff help members of the workers compensation and property and liability programs build effective safety procedures and assists with written standards; safety audits and inspections; technical assistance; training sessions; toolkits for parks and recreation liability, public official liability and sewer backups; a quarterly newsletter and other resources.

These same members have an on-demand option for a variety of risk management, human resources, and safety and law enforcement courses tailored specifically to public entities. The South Carolina Criminal Justice Academy approved the law enforcement and corrections courses for continuing education credit. These on-demand courses have been taken by more than 1,000 municipal employees. The Risk Management Institute completed its first full year, offering participants specialized training for their roles as risk managers and safety coordinators. Enrollment for the inaugural class was 73 member employees.

**SC Municipal Insurance Trust (SCMIT):** Formed in 1984, the Trust provides workers' compensation coverage to members. SCMIT awarded approximately \$145,000 to member law enforcement, fire and public works departments to cover the cost of purchasing soft body armor, other protective gear and work-zone safety equipment. SCMIT provides numerous services to help members reduce their long-term insurance costs by managing risks and reducing the number and size of claims. SCMIT also provides its members a model fire services policy and procedures manual. Membership base: 116.

**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. SCMIRF also provides targeted loss prevention services. These services included a model law enforcement policy and procedure manual, risk

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management manual, multiple loss prevention consultation visits from staff and online training resources. Members also have access to the **Agility Recovery ReadySuite** for disaster recovery assistance, a labor hotline for up to 10 hours of free legal advice and an online tool called **eRisk Hub** for the prevention of network, cyber and privacy losses. RMS created a toolkit for managing parks and recreation liability. There are also toolkits for public official liability and sewer backup response. SCMIRF's Law Enforcement Liability Reduction Grant Program provided approximately \$23,000 in financial assistance to member law enforcement agencies to purchase products, services and equipment designed to help reduce litigation. Membership base: 105.

**South Carolina Other Retirement Benefits Employer Trust:** The Trust is a GASB 45 compliant OPEB trust to pre-fund retirement benefits other than pensions. The Trust allows its participating local governments to pool their funds, thus reducing costs by sharing the administrative and investment-related expenses. Membership base: 43.

**Municipal Insurance Services:** This insurance agency offers certain property and liability products through SCMIRF to meet the needs of the municipalities of South Carolina.

**Part III Line 4c-Collections Services Expenses: \$1,256,582 Revenues \$4,629,690**

Municipalities contract with the Association to collect delinquent debts and certain business license taxes on their behalf. The four programs described below provide for centralized and efficient collections for participating municipalities and streamlines the tax payment process.

**Insurance Tax Collection Program:** In 2013, \$137 million was collected in current and delinquent business license taxes from insurance companies. Disbursements of \$133 million were paid to 266 participating municipalities.

**Telecommunications Tax Collection Program:** In 2013, \$10.1 million was collected from telecommunications companies. Disbursements of \$9.7 million were paid to 266 participating municipalities.

**Brokers Tax Collection Program:** The Association serves as the municipal agent to receive and distribute to South Carolina municipalities the municipal broker's premium tax collected by the South Carolina Department of Insurance. In 2013, \$8.9 million was collected from licensed insurance brokers. Disbursements of \$8.6 million were paid to 266 participating municipalities.

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**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 South Carolina Department of Revenue. In 2013, the Association received \$3.0 million in checks from South Carolina Department of Revenue and disbursed \$2.6 million to 163 program participants.

**Part III Line 4d-Other Program Services Expenses \$1,221,295 Revenues \$596,470**

**Advocacy:** 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 are further described below.

**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 creating the environment for job recruitment and growth. The "Cities Mean Business" campaign encourages new and stronger collaboration between local elected leaders and their hometown business leaders to communicate with one voice to policy makers about the value of strong cities. An online toolkit of templates is available for officials to use in integrating the campaign into their own hometown efforts. City leaders used the campaign ads and visuals on their websites, at business appreciation events and in print materials to communicate the value of city services. The Association continued its partnership with SC Biz magazine, a statewide business publication, to publish the bi-annual Cities Mean Business magazine that spotlights how strong cities are important to the state's economic success. Targeted to business leaders and policy makers statewide, the magazine has a circulation of 15,000 readers.

**Daily News Clips:** Daily News is a quick, "at a glance" email summary of news stories of municipal interest from around the state. More than 400 individuals subscribe to this service.

**Social Media Outreach:** The Association uses Twitter (@MuniAssnSC) and Facebook (CitiesMeanBusiness) to provide up-to-the-minute information on State House activity during the session and to share good news stories about cities and towns.

**City Connect Blog:** The Association launched City Connect as a way to package information in a "quick read" format for local officials. Topics were timely and often related to issues being considered at the State House or on Capitol Hill. The blog received more than 5,000

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visits during its first six months online.

**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, sets the Association's legislative priorities. Recent priorities included removal and rehabilitation of dilapidated structures, dependable revenue sources for cities and towns; public safety and crime prevention; and long-term stable funding sources for roads, bridges and infrastructure maintenance, improvements and expansion. The Association sought out partnerships and coalitions to support legislation that reflected these priorities. City officials and Association staff monitored and, when necessary, voiced their support or dissent for more than 600 bills of interest making their way through the state legislative process. The Association also monitored federal legislation through the National League of Cities, working specifically this year on the Marketplace Fairness Act and the Homeowner Flood Insurance Affordability Act. An e-newsletter, *From the Dome to Your Home*, is e-mailed each Friday during the legislative session. The newsletter, which recaps the week's major events and previews upcoming week's activities, encourages municipal officials to communicate with legislators the impact of proposed legislation on their city or town. Municipal leaders can also keep up with progress of bills through an online monitoring system updated daily by Association staff.

**Grassroots Legislative Outreach:** This effort includes the strategic involvement of local elected officials, media outreach, social media and the "Cities Mean Business" campaign to engage directly with legislators and other policy makers to communicate the value of strong cities to the state's economic competitiveness. The SC Society of Association Executives has recognized the outreach initiatives with a Best in the Business award.

**Hometown SC Legislative Action Day:** This annual event updates municipal officials on current legislative issues and gives them an opportunity to visit their legislators at the State House. Attendees heard presentations from state agency directors and members of the South Carolina House and Senate. The 2013 meeting was attended by 497 municipal officials representing 152 cities and towns.

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**Regional Advocacy Meetings:** Each fall the Association staff goes on the road to conduct a series of regional advocacy meetings. In 2013, Association staff visited 10 locations and met with more than 300 municipal officials to discuss issues important to cities and towns and how these issues could be addressed through legislative action. These conversations are an important part of the process to build the Association's legislative priorities.

**Other Program Service Revenue:** Includes \$534,000 in member dues and \$62,000 related to information technology. The Association in partnership with technology firm VC3 Inc., provides affordable technology services to cities and towns. VC3 designs and hosts municipal websites; designs and implements computer networks; and provides disaster recovery, strategic technology planning services and voice communication services. Through VC3's private cloud, cities and towns can limit their investment in hardware and software while providing employees full access to software applications. The cloud also gives cities and towns access to disaster recovery and online backup services.

#### **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 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 by-laws to be performed at the annual meeting.

##### **Part VI Line 6: Members or Stockholders**

Membership in the Association is offered to all 270 municipalities in South Carolina. The Association does not have stockholders. See discussion for Line 7a regarding rights of members to elect the governing body.

##### **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

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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 to serve until the next annual meeting of the membership.

**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. During 2013, all decisions made by this committee were ratified in a full board meeting therefore no separate minutes were maintained.

**Part VI Lines 10a-10b: Affiliate Organizations**

The Association has what it calls affiliate organizations (see also the discussion of affiliate groups in Line 4a). These are typically groups of employees of member municipalities with common training needs. Each group elects their 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 the Association policies and procedures. Each affiliate group has a written service agreement with the Association and a staff member is assigned to each 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 form 990 tax return.

**Part VI Line 11b: 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. The return is not reviewed with the Board of Directors prior to filing due to the timing of the 990 completion and board meeting dates. They are updated about the status of the return before and after the return is filed and it is made available to them upon request.

**Part VI Line 12c: Conflict of Interest Policy**

The Association has a written Conflict of Interest policy. All employees and board members are given an annual questionnaire along with the policy to determine if there are any known conflicts. The results are reviewed by management. A summary of the boards' results and those of key employees are provided to the board for their review. The board of directors reviewed results at their June 11, 2013 meeting. If an actual, potential or apparent conflict of interest is determined, the Association may take one of the following actions to resolve such conflict.

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**57-6000743****1. Waive the conflict of interest as unlikely to affect the individual's ability to act in the best interests of the Association.****2. Determine the individual should recuse himself from all deliberations and decision-making related to the particular transaction or relationship that gives rise to the conflict of interest.****3. Determine that the individual must resign from his/her service to the Association.****The board of directors has final authority for resolving all conflicts of interest involving board members and the executive director of the Association. The executive director has authority over staff.****Part VI Line 15: Compensation Review Process**

In accordance with the Association's by-laws, the board of directors determines the compensation of the Executive Director. The Executive Director determines the compensation of all other staff members. The Association periodically has an independent compensation consultant perform a salary study. Based on recommendations of the study, the board of directors sets salary ranges for all employees and the Executive Director. In between salary studies, the ranges are increased by an annual cost of living percentage. The board of directors has a compensation committee that reviews the Executive Director's performance, salary studies and other comparative salary information from like organizations on an annual basis. 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. This process was completed in 2012 for the determination of the Executive Director's 2013 compensation. The compensation of all other employees of the organization (including any other officers or key employees) is set by the Executive Director based on performance and the salary ranges predetermined by the board of directors.

**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 \$330,691**

Professional services of \$277,182 is composed of: collections \$148,099; communications \$28,476; trade certification \$25,018; consulting \$15,000; insurance services \$10,000 and other \$50,589. Additional expenses included in this line item are as follows: architectural services \$15,954, contract writers \$15,950, temporary contract services \$8,218, media production \$5,659, payroll processing \$5,478 and actuarial services \$2,250.

**SCHEDULE R**  
(Form 990)

Department of the Treasury  
Internal Revenue Service  
Name of the organization

**Related Organizations and Unrelated Partnerships**

► Complete if the organization answered "Yes" on Form 990, Part IV, line 33, 34, 35b, 36, or 37.

► Attach to Form 990.

► See separate instructions.

► Information about Schedule R (Form 990) and its instructions is at [www.irs.gov/form990](http://www.irs.gov/form990).

OMB No 1545-0047

**2013**

Open to Public  
Inspection

Employer identification number

57-0000743

Municipal Association of South Carolina

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

(a) Name, address, and EIN (if applicable) of disregarded entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Total income	(e) End-of-year assets	(f) Direct controlling entity
(1) Municipal Insurance Services, LLC EIN: 20-3272748 PO Box 12109, Columbia, SC 29211	Ancillary policy placement	South Carolina	77,499	35,534	Muni Assn of SC
(2)					
(3)					
(4)					
(5)					
(6)					

**Part II Identification of Related Tax-Exempt Organizations** Complete if the organization answered "Yes" on 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	(g) Section 512(b)(13) controlled entity?
					Yes	No
(1) SC Municipal Insurance Risk Financing Fund, EIN: 57-0918119 PO Box 12109, Columbia, SC 29211	Self-insur prop liab	South Carolina			N/A	✓
(2) SC Municipal Insurance Trust EIN: 57-0876698 PO Box 12109, Columbia, SC 29211	Self-insur work comp	South Carolina			N/A	✓
(3) SC Local Government Assurance Group EIN: 57-0876697 PO Box 12109, Columbia, SC 29211	Self-insur hth pool	South Carolina			N/A	✓
(4) SC Other Retirement Benefits Employer Trust EIN: 26-6660520 PO Box 12109, Columbia, SC 29211	Empl retirement bfts	South Carolina			N/A	✓
(5) SC Association of Municipal Power Systems EIN: 57-0758243 PO Box 12109, Columbia, SC 29211	Power systems assoc	South Carolina	501(c)(6)		N/A	✓
(6) SC Downtown Development Association EIN: 57-0756647 PO Box 12109, Columbia, SC 29211	Downtown Developmnt	South Carolina	501(c)(3)	Line 9 N/A		✓
(7)						

For Paperwork Reduction Act Notice, see the Instructions for Form 990.

Cat No 50135Y

Schedule R (Form 990) 2013

**Part III Identification of Related Organizations Taxable as a Partnership** Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related organizations treated as a partnership during the tax year.

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income (related, unrelated, excluded from tax under sections 512-514)	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproportionate allocations?	(i) Code V-UBI amount in box 20 of Schedule K-1 (Form 1065)	(k) Percentage ownership	
									Yes	No
(1) Gervais St Assoc 58-2388279 PO Box 12109, Columbia SC	Rental real estate	SC	Muni Assn SC	Excluded 512-514	\$218,943	\$4,290,136	✓	N/A	✓	50%
(2)										
(3)										
(4)										
(5)										
(6)										
(7)										

**Part IV Identification of Related Organizations Taxable as a Corporation or Trust** Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related organizations treated as a corporation or trust during the tax year.

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership	(i) Section 512(b)(13) controlled entity?	
								Yes	No
(1) NOT APPLICABLE									
(2)									
(3)									
(4)									
(5)									
(6)									
(7)									

**Part V Transactions With Related Organizations** Complete if the organization answered "Yes" on Form 990, Part IV, line 34, 35b, 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 related organization(s)
- c Gift, grant, or capital contribution from related organization(s)
- d Loans or loan guarantees to or for related organization(s)
- e Loans or loan guarantees by related organization(s)
- f Dividends from related organization(s)
- g Sale of assets to related organization(s)
- h Purchase of assets from related organization(s)
- i Exchange of assets with related organization(s)
- j Lease of facilities, equipment, or other assets to related organization(s)
- k Lease of facilities, equipment, or other assets from related organization(s)
- l Performance of services or membership or fundraising solicitations for related organization(s)
- m Performance of services or membership or fundraising solicitations by related organization(s)
- n Sharing of facilities, equipment, mailing lists, or other assets with related organizations
- o Sharing of paid employees with related organization(s)
- p Reimbursement paid to related organization(s) for expenses
- q Reimbursement paid by related organization(s) for expenses
- r Other transfer of cash or property to related organization(s)
- s Other transfer of cash or property from related 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 related organization	(b) Transaction type (a-s)	(c) Amount involved	(d) Method of determining amount involved
<b>(1) Gervais Street Associates-rent paid by Municipal Association to GSA</b>	K	\$529,753	Actual rent paid
<b>(2) Gervais Street Associates-distribution of profits to partners</b>	S	\$150,000	Actual distribution received
<b>(3)</b>			
<b>(4)</b>			
<b>(5)</b>			
<b>(6)</b>			

**Part VI Unrelated Organizations Taxable as a Partnership** Complete if the organization answered "Yes" on Form 990, Part IV, line 37.

Provide the following information for each entity taxed as a partnership through which the organization conducted more than five percent of its activities (measured by total assets or gross revenue) that was not a related organization. See instructions regarding exclusion for certain investment partnerships.

(a) Name, address, and EIN of entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Predominant income (related, unrelated, excluded from tax under sections 512-514)	(e) Are all partners section 501(c)(3) organizations?	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproportionate allocations?	(i) Code V-UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner?	(k) Percentage ownership	
										Yes	No
(1) <b>NOT APPLICABLE</b>											
(2)											
(3)											
(4)											
(5)											
(6)											
(7)											
(8)											
(9)											
(10)											
(11)											
(12)											
(13)											
(14)											
(15)											
(16)											

**Part VII Supplemental Information**

Provide additional information for responses to questions on Schedule R (see instructions).

**Part III Line 1:** The Municipal Association of South Carolina is temporarily allocated 100% of the profits of Gervais Street Associates (GSA) until all losses previously absorbed by the Association have been recouped. When this is completed, proportionate allocation of profits will resume with distribution based on capital investment percentages for all three partners.

**Part V Line 1(d):** There is a long term receivable with balance of \$60,000 from South Carolina Other Retirement Benefits Employer Trust.

**Part V Line 1(j):** Related entities South Carolina Municipal Insurance Trust, South Carolina Insurance Risk Financing Fund and South Carolina Other Retirement Benefits Employer Trust pay rent to the Municipal Association. Rent is allocated based on square footage occupied and is included in the administrative fee paid to the Association.

**Part V Line 1(k):** The Municipal Association leases facilities from Gervais Street Associates.

**Part V Line 1(l):** The Association performs services for all entities listed in Schedule R Part II. The risk management entities (listed on lines 1 through 4 of Part II) reimburse the Association for direct staffing costs as well as support services through payment of administrative fees. The SC Association of Municipal Power Systems pays an administrative fee for support services but is not allocated rent or staffing costs. The SC Downtown Development Association is currently inactive and does not pay an administrative fee to the Association.

**Part V Line 1(m):** The Association obtains property insurance from SC Municipal Insurance Risk Financing Fund and workers compensation insurance from SC Municipal Insurance Trust.

**Part V Line 1(s):** The Association received a distribution from Gervais Street Associates in 2013. The distribution received was based on the Association's 50% ownership percentage.