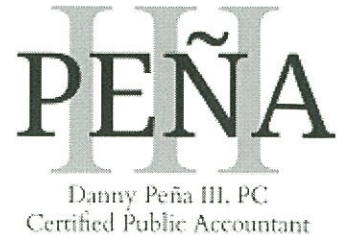


TEXAS SOCIETY SONS OF THE
AMERICAN REVOLUTION, INC.
FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013

TEXAS SOCIETY SONS OF THE
AMERICAN REVOLUTION, INC.

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INDEPENDENT AUDITORS' REPORT

Board of Managers
Texas Society Sons of the American Revolution, Inc.

We have audited the accompanying statement of financial position – modified cash basis of the Texas Society Sons of the American Revolution, Inc. (a not-for-profit organization) for the years ended December 31, 2014 and 2013, and the related statements of activities and changes in net assets – modified cash basis, and statement of cash flows – modified cash basis for the years then ended. These financial statements are the responsibility of the Texas Society Sons of the American Revolution, Inc.'s management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating overall financial statement presentation. We believe our audit provides a reasonable basis for our opinion.

As described in Note 1, these financial statements were prepared on the modified cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Texas Society Sons of the American Revolution, Inc. as of December 31, 2014 and 2013, and the changes in its net assets and its cash flows for the years then ended, on the basis of accounting described in Note 1.

A handwritten signature in blue ink that reads "Danny Peña III, PC". The signature is written in a cursive style.

Austin, Texas
November 13, 2015

TEXAS SOCIETY SONS OF THE AMERICAN REVOLUTION, INC
STATEMENTS OF FINANCIAL POSITION
MODIFIED CASH BASIS AT
DECEMBER 31, 2014 AND 2013

	Total (Memo)		Operations		Patriots		Ritchie Fund		Perpetual Membership	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
ASSETS										
Current Assets										
Cash	\$ 206,764	\$ 190,771	\$ 186,547	\$ 172,462	\$ 6,914	\$ 13,543	\$	\$	\$ 13,303	\$ 4,766
Investments	796,003	763,697	7,551	5,407	574,782	540,316	44,911	42,526	168,759	175,448
Accounts receivable	1,000		1,000							
Prepaid expense	1,615	1,765	615	765	1,000	1,000				
Inter fund	37,058	52,239	7,443	43	23,132	27,205			6,483	24,991
Total Assets	\$ 1,042,440	1,008,472	\$ 203,156	\$ 178,677	\$ 605,828	\$ 582,064	\$ 44,911	\$ 42,526	\$ 188,545	\$ 205,205
LIABILITIES AND NET ASSETS										
Current Liabilities										
Accounts payable	\$ 1,805	\$ 2,662	\$ 1,705	\$ 2,562	\$ 100	\$ 100	\$	\$	\$	\$
Deferred membership dues national/state/local	90,354	73,924	90,354	73,924						
Inter fund	37,058	52,239	36,058	32,730			1,000	1,000		18,509
Total Current Liabilities	129,217	128,825	128,117	109,216	100	100	1,000	1,000	0	18,509
Net Assets										
Unrestricted net assets										
Unrestricted	670,756	646,425	65,028	64,461	605,728	581,964				
Board designated restricted	10,011	5,000	10,011	5,000						
Total unrestricted net assets	680,767	651,425	75,039	69,461	605,728	581,964				
Temporarily restricted net assets										
Permanently restricted net assets	232,456	228,222					43,911	41,526	188,545	186,696
Total Net Assets	913,223	879,647	75,039	69,461	605,728	581,964	43,911	41,526	188,545	186,696
Total Liabilities & Net Assets	\$ 1,042,440	\$ 1,008,472	\$ 203,156	\$ 178,677	\$ 605,828	\$ 582,064	\$ 44,911	\$ 42,526	\$ 188,545	\$ 205,205

The accompanying notes are an integral
part of these financial statements

TEXAS SOCIETY SONS OF THE AMERICAN REVOLUTION, INC.
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
MODIFIED CASH BASIS
FOR THE YEARS ENDED
DECEMBER 31, 2014 AND 2013

	Total (Memo)		Operations		Patriots		Ritchie Fund		Perpetual Membership	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
Revenues										
Contributions	\$ 58	\$ 13	\$ 58	\$ 13	\$	\$	\$	\$	\$	\$
Application fees	10,705	8,624	10,705	8,624						
Investment income	45,293	25,550	39	17	25,944	15,389	1,237	1,250	18,073	8,894
Unrealized gains on investments	17,890	82,243			15,164	62,308	2,148	1,362	578	18,573
Membership dues	31,150	29,401	31,150	29,401						
Donations	9,431	23,642	327	218	7,514	22,934			1,590	490
Other revenue	1,759	788	1,389	548	370	240				
Total revenues	116,286	170,261	43,668	38,821	48,992	100,871	3,385	2,612	20,241	27,957
Expenses										
General and administrative expenses	82,710	67,390	38,090	37,371	25,228	11,825	1,000	1,000	18,392	17,194
Total expenses	82,710	67,390	38,090	37,371	25,228	11,825	1,000	1,000	18,392	17,194
Increase in unrestricted net assets	29,342	90,496	5,578	1,450	23,764	89,046				
Increase in permanently restricted net assets	4,234	12,375					2,385	1,612	1,849	10,763
Total increase in net assets	\$ 33,576	\$ 102,871	\$ 5,578	\$ 1,450	\$ 23,764	\$ 89,046	\$ 2,385	\$ 1,612	\$ 1,849	\$ 10,763
Net assets, beginning of year	879,647	776,776	69,461	68,011	581,964	492,918	41,526	39,914	186,696	175,933
Net assets end of year	\$ 913,223	\$ 879,647	\$ 75,039	\$ 69,461	\$ 605,728	\$ 581,964	\$ 43,911	\$ 41,526	\$ 188,545	\$ 186,696

The accompanying notes are an integral
part of these financial statements

TEXAS SOCIETY SONS OF THE AMERICAN REVOLUTION, INC.
STATEMENT OF CASH FLOWS
MODIFIED CASH BASIS
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

	Total (Memo)		Operations		Patriots		Ritchie Fund		Perpetual Membership	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES										
Changes in net assets	\$ 33,576	\$ 103,871	\$ 5,578	\$ 1,449	\$ 23,764	\$ 89,047	\$ 2,385	\$ 2,612	\$ 1,849	\$ 10,763
Net decrease (increase) in A/R	(1,000)		(1,000)							
Net increase (decrease) in payables	(857)	614	(857)	1,614		(1,000)				
Net decrease (increase) in prepaid expenses	150	(726)	150	(726)						
Net (decrease) increase in deferred liabilities.	20,515	(11,308)	20,515	(11,208)		(100)				
Net increase (decrease) in due to other funds	17,752	4,115	(757)	4,480		(365)			18,509	
Net (increase) decrease in due from other funds	(21,836)	(4,115)	(7,400)	(43)	4,073	(4,072)			(18,509)	
Net cash provided/(used) by operating activities	48,300	92,451	16,229	(4,434)	27,837	83,510	2,385	2,612	1,849	10,763
CASH FLOWS FROM INVESTING ACTIVITIES										
Net (increase) decrease in investments	(32,307)	(117,121)	(2,144)	54	(34,466)	(105,264)	(2,385)	(2,612)	6,688	(9,299)
Net cash provided/(used) by investing activities	(32,307)	(117,121)	(2,144)	54	(34,466)	(105,264)	(2,385)	(2,612)	6,688	(9,299)
Net increase/(decrease) in cash	15,993	(24,670)	14,085	(4,380)	(6,629)	(21,754)	0	0	8,537	1,464
Cash balance, beginning of year	190,771	215,441	172,462	176,842	13,543	35,297			4,766	3,302
Cash balance, end of year	\$ 206,764	\$ 190,771	\$ 186,547	\$ 172,462	\$ 6,914	\$ 13,543	\$ 0	\$ 0	\$ 13,303	\$ 4,766

The accompanying notes are an integral
part of these financial statements

TEXAS SOCIETY SONS OF THE AMERICAN REVOLUTION, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Texas Society Sons of the American Revolution, Inc. (The Society) is a male lineage society that perpetuates the ideals of the war for independence. As a historical, educational, and patriotic, non-profit corporation, we seek to maintain and expand the meaning of patriotism, respect for our national symbols, the value of American citizenship, and the unifying force of "*e pluribus unum*" that was created from the people of many nations -- one nation and one people. The Society is a not-for-profit organization exempt from Federal income taxes under section 501(c)(3) of the Internal Revenue Code and, therefore, no provision for Federal income tax has been made in the accompanying financial statements.

Method of accounting - The financial statements are presented using the modified cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles. This basis of accounting differs from accounting principles generally accepted in the United States of America in that under the modified cash basis, revenues and related assets are generally recognized when received rather than when earned, and expenses and related liabilities are generally recognized when paid rather than when incurred, except for certain membership dues received in advance.

Cash equivalents - For purposes of the statement of cash flows, The Society considers highly liquid investments, such as money market funds, as cash equivalents.

Basis of Presentation - Financial statement presentation follows the requirements of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statements of Not-for-Profit Organizations*. Under SFAS No. 117, The Society is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Contributions - The Society accounts for contributions in accordance with the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 116, *Accounting for Contributions Received and Contributions Made*. In accordance with SFAS No. 116, contributions received are recorded as unrestricted, temporarily restricted or permanently restricted support, depending on the existence or nature of any donor restrictions.

All donor-restricted support is reported as an increase in temporarily or permanently restricted net assets depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported on the statement of activities as net assets released from restrictions.

TEXAS SOCIETY SONS OF THE AMERICAN REVOLUTION, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013
(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Investments - The Society accounts for investments in accordance with the requirements of the Financial Accounting Standards Board in SFAS No. 124, *Accounting for Certain Investments Held by Not-for-Profit Organizations*. In accordance with SFAS No. 124, investments in equity securities with readily determinable fair values and all investments in debt securities are measured at fair value in the statement of financial position, and gains and losses on investments are reported in the statement of activities as increases or decreases in unrestricted net assets unless their use is temporarily or permanently restricted by explicit donor stipulations or by law.

Current liabilities - The amounts due to the national society and to local chapters, and the amounts of deferred revenues represent dues collected in advance by The Society that have not been remitted to the national or local organizations nor earned by the state organization as of the Statement of Financial Position date.

NOTE 2 - SARBANES-OXLEY ACT OF 2002

As a not-for-profit organization, the Society is subject to the *Public Company Accounting Reform and Investor Protection Act* commonly called Sarbanes-Oxley. The act was enacted July 30, 2002 and set new and enhanced standards for all U.S. public company boards, management and public accounting firms. It is named after sponsors U.S. Senator Paul Sarbanes and U.S. Representative Michael G. Oxley.

NOTE 3 - SCHOLARSHIPS

The Society has reserved donations for student scholarships. For the years 2014 and 2013, the amounts were \$16,200 and \$13,700 respectively. Liability for the scholarships will not begin until the student applies for admission to attend the university and the university applies to The Society for funding of these scholarships. The potential for the liability is open for five years from the date of the award to the recipient unless the recipient enlists in the military. As of December 31, 2014, the balance of unapplied for scholarships for the five year open period is \$23,400.

NOTE 4 - BOARD DESIGNATED RESTRICTED NET ASSETS

Management elected to restrict \$5,000 for funding of the 2018 NSSAR Congress to be held in Houston. The total amount estimated to be required of Society is \$30,000. Each year an additional \$5,000 will be recorded as board designated restricted until it is expended for the meeting. The balance of the board designated fund, including earned interest, is \$10,011 as of December 31, 2014.

TEXAS SOCIETY SONS OF THE AMERICAN REVOLUTION, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013
(Continued)

NOTE 5 – FAIR VALUE MEASUREMENT

Financial accounting standards for fair value measurements define fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants at the measurement date. Current accounting standards establish a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable input (Level 3 measurements). The three levels of the fair value are described below:

- Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Society has the ability to assess.
- Level 2 Inputs to the valuation methodology include:
- Quoted prices for similar assets or liabilities in active markets;
 - Quoted prices for identical or similar assets or liabilities in inactive markets;
 - Inputs other than quoted prices that are observable for the asset or liability;
 - Inputs that are derived principally from or corroborated by observable market data by correlation or other means.
- Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2014 and 2013.

Investments in marketable equity securities: Valued at the net asset value of shares held at year-end. The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Society believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial investments could result in a different fair value measurement at the reporting date.

TEXAS SOCIETY SONS OF THE AMERICAN REVOLUTION, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013
(Continued)

NOTE 5 – FAIR VALUE MEASUREMENT (Continued)

The following sets forth by level, within the fair value hierarchy, The Society’s assets at fair value as of December 31, 2014 and 2013.

	December 31, 2014		
	Level 1	Level 2	Level 3
Marketable equity securities	\$796,004	-	-
	December 31, 2013		
	Level 1	Level 2	Level 3
Marketable equity securities	\$763,397	-	-