

**STATE REPUBLICAN EXECUTIVE COMMITTEE
AKA REPUBLICAN PARTY OF TEXAS**

**FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS' REPORT**

**FOR THE YEARS ENDED
DECEMBER 31, 2014 AND 2013**

**STATE REPUBLICAN EXECUTIVE COMMITTEE
AKA REPUBLICAN PARTY OF TEXAS**

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Independent Auditors' Report

The Members of the
State Republican Executive Committee
AKA Republican Party of Texas

Report on the Financial Statements

We have audited the accompanying financial statements of the State Republican Executive Committee (an unincorporated political organization) which comprise the statements of financial position as of December 31, 2014 and 2013, and the related statements of activities and changes in net assets, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the State Republican Executive Committee as of December 31, 2014 and 2013, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Supplementary Information

The accompanying supplementary information is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Atchley & Associates, LLP

Austin, Texas
February 17, 2015

**STATE REPUBLICAN EXECUTIVE COMMITTEE
AKA REPUBLICAN PARTY OF TEXAS
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2014 AND 2013**

	<u>2014</u>	<u>2013</u>
<u>ASSETS</u>		
CURRENT ASSETS		
Cash and cash equivalents	\$ 944,072	\$ 1,474,207
Prepaid expenses	46,126	92,275
Total current assets	<u>990,198</u>	<u>1,566,482</u>
PROPERTY AND EQUIPMENT		
Furniture, equipment, and software	141,571	87,493
Accumulated depreciation	<u>(95,162)</u>	<u>(80,036)</u>
Net property and equipment	<u>46,409</u>	<u>7,457</u>
Total assets	<u><u>\$ 1,036,607</u></u>	<u><u>\$ 1,573,939</u></u>
<u>LIABILITIES AND NET ASSETS</u>		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	\$ 37,494	\$ 33,166
Primary fees held in trust	50	511,270
Total current liabilities	37,544	544,436
NET ASSETS		
Unrestricted net assets	<u>999,063</u>	<u>1,029,503</u>
Total liabilities and net assets	<u><u>\$ 1,036,607</u></u>	<u><u>\$ 1,573,939</u></u>

The accompanying notes are an integral part of these financial statements.

**STATE REPUBLICAN EXECUTIVE COMMITTEE
AKA REPUBLICAN PARTY OF TEXAS
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013**

	<u>2014</u>	<u>2013</u>
CHANGES IN UNRESTRICTED NET ASSETS		
Revenues		
Direct mail -		
Sustaining	\$ 805,323	\$ 716,323
Prospecting	104,613	186,447
Telemarketing -		
Sustaining	276,269	384,936
Prospecting	55,749	128,075
Other fundraising -		
Events	850,974	376,704
Major donors	2,227,539	479,331
Other income	1,098,172	290,202
Convention fees	1,151,805	9,150
Primary filing fees	511,307	145,969
List fulfillment revenues	5,616	1,460
In-kind contributions	710,750	68,418
	<u>7,798,117</u>	<u>2,787,015</u>
Expenses		
Finance/Fundraising	725,859	859,969
Political	653,656	400,290
Departmental allocations	437,592	403,604
Party activities	1,258,529	235,929
Administration	152,719	154,329
Accounting	121,911	106,276
Communications	38,385	35,450
Primary	534,580	154,399
Victory	2,137,462	122,811
Field offices	1,096,207	166,953
In-kind expenses	671,657	68,418
	<u>7,828,557</u>	<u>2,708,428</u>
Increase (decrease) in unrestricted net assets	(30,440)	78,587
Net assets - beginning of year	<u>1,029,503</u>	<u>950,916</u>
Net assets - end of year	<u>\$ 999,063</u>	<u>\$ 1,029,503</u>

The accompanying notes are an integral part of these financial statements.

**STATE REPUBLICAN EXECUTIVE COMMITTEE
AKA REPUBLICAN PARTY OF TEXAS
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013**

	<u>2014</u>	<u>2013</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets	\$ (30,440)	\$ 78,587
Adjustment to reconcile increase (decrease) in net assets to cash provided (used) by operating activities:		
In-kind support for fixed asset acquisition	(39,093)	-
Depreciation expense	15,126	4,917
(Increase) decrease in operating assets -		
Prepaid expenses	46,149	(56,928)
Increase (decrease) in operating liabilities -		
Accounts payable and accrued liabilities	4,328	20,053
Primary fees held in trust	(511,220)	419,740
	<u> </u>	<u> </u>
Net cash provided (used) by operating activities	(515,150)	466,369
 CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of fixtures and equipment	(14,985)	(3,328)
	<u> </u>	<u> </u>
Net cash used by investing activities	(14,985)	(3,328)
 CASH FLOWS FROM FINANCING ACTIVITIES	<u> </u>	<u> </u>
	-	-
Net increase (decrease) in cash and cash equivalents	(530,135)	463,041
Cash and cash equivalents - beginning of year	1,474,207	1,011,166
	<u> </u>	<u> </u>
Cash and cash equivalents - end of year	<u>\$ 944,072</u>	<u>\$ 1,474,207</u>
 Supplemental information:		
Cash paid during the year for:		
Interest	<u>\$ -</u>	<u>\$ -</u>
	<u> </u>	<u> </u>
Federal income taxes	<u>\$ 3,935</u>	<u>\$ 3,886</u>

The accompanying notes are an integral part of these financial statements.

**STATE REPUBLICAN EXECUTIVE COMMITTEE
AKA REPUBLICAN PARTY OF TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013**

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of the significant accounting policies of the State Republican Executive Committee, aka the Republican Party of Texas (the Party), an unincorporated political organization, which have been consistently applied in the preparation of the accompanying financial statements.

Nature of Activities

The Party is the permanent organization which administers the Republican Party primary elections and conventions in Texas and which certifies Republican candidates for office in general elections. The Party also certifies Texas delegates to the Republican National Convention. The Party is governed by the State Republican Executive Committee which consists of elected and appointed officers and a committeeman and committeewoman elected from each of the 31 Texas senatorial districts. Through its activities, the Party assists the organization of Republican Party units at the county and precinct levels and works to help elect Republican candidates in general elections.

Fund Accounting

In order to ensure observance of limitations and restrictions placed on the use of the resources available to the Party, the accounts of the Party are maintained in accordance with the principles of fund accounting. These are the procedures by which resources for various purposes are classified, for accounting and reporting purposes, into funds related to specified activities or objectives. The Party uses the following funds:

Republican Party of Texas Allocation Fund - To account for the administrative and operating expenditures of the Party, a portion of which must be paid with funds that are raised in accordance with federal law. Funds are transferred into this account to pay expenses in accordance with federal law. A designated minimum percentage of 21% and 21% for 2014 and 2013, respectively, is allocated to the Republican Party of Texas Federal Fund.

Republican Party of Texas Federal Fund - To account for the Party's participation in direct campaign activities of Republican candidates for election to public offices of the United States and for payment of the federal portion of certain operating expenditures from the Allocation Fund.

Republican Party State Fund - To account for the Party's participation in direct campaign activities of Republican candidates for election to public offices other than federal offices of the United States and for payment of the non-federal portion of certain operating expenditures from the Allocation Fund.

**STATE REPUBLICAN EXECUTIVE COMMITTEE
AKA REPUBLICAN PARTY OF TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013**

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Accounting (Continued)

Candidate Resource Committee - To account for the Party's participation in Republican candidates campaign activities for county and district level public offices.

Corporate Fund - To account for revenue and support from corporations. Use of corporate donations is restricted to the payment of certain operating expenditures and may not be used to support federal or state candidates.

Primary Fund - To account for activities related to the State primary elections with amounts not spent being reimbursed to the State of Texas.

Building Fund - To account for activities related to donations and expenditures for the Party's future building project.

Victory Funds - To account for the Party's participation in volunteer activities and other allowable election activities to support the Republican ticket of candidates as permitted by federal and state law.

Convention Funds - To account for the Party's activities related to holding their biannual State Convention for the purpose of electing party officials and delegates to the Republican National Convention.

Basis of Accounting

Financial information is presented on the accrual basis of accounting. Under accrual basis accounting, goods and services purchased are recorded as assets or expenditures at the time the liabilities arise, which is normally when title to the goods passes or when the services are received. Revenues are recorded when legally receivable rather than when cash is actually received.

Expenditures paid for future services are recorded as prepaid expenses and are later recognized in the period to which they relate. Receipts of cash in the current period for Primary filing fees are held in trust to be disbursed in the next fiscal year for the purpose of holding Primary Elections. The Party has accrued liabilities for \$50 and \$511,270 related to Primary filing fees as of December 31, 2014 and 2013, respectively.

**STATE REPUBLICAN EXECUTIVE COMMITTEE
AKA REPUBLICAN PARTY OF TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013**

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property and Equipment

Property and equipment are recorded at cost at the time the assets are purchased or at fair value at the time the assets are contributed. Depreciation is computed using the straight-line method with estimated useful lives of three to five years. The cost of maintenance and repairs is charged to expense as incurred, whereas significant renewals and betterments are capitalized. When assets are retired or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts, and any resulting gain or loss is recognized as gain or loss for the period.

Net Assets

The Party classifies net assets into three categories: unrestricted, temporarily restricted, or permanently restricted. Contributions of cash and other assets are reported as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction passes or purpose restriction is accomplished, temporarily restricted net assets are reclassified as unrestricted net assets and reported in the statement of activities and changes in net assets as net assets released from restrictions. The Party currently has only unrestricted net assets. There were no temporarily or permanently restricted net assets at December 31, 2014 and 2013.

Gifts of long-lived assets and other property are reported as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long-lived assets must be maintained, the Party reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

Donated Services

The Party pays for most services requiring specific expertise. However, many individuals volunteer their time and perform a variety of tasks that assist the Party with specific programs, activities, and various committee assignments. These services do not meet the criteria set forth in Accounting Standard Codification (FASB ASC) 958-605 and as such no amounts have been reflected in the financial statements for these donated services.

The Party received in-kind contributions for rent and signage in the amount of \$710,750 and \$68,418 for the years ended December 31, 2014 and 2013, respectively.

**STATE REPUBLICAN EXECUTIVE COMMITTEE
AKA REPUBLICAN PARTY OF TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013**

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue Recognition

Contribution revenues are recorded as revenue in the period received and are not recorded as receivables unless the Party has an enforceable right to collect the contribution. Other non-contribution revenues are recorded when earned.

Income Taxes

The Party is taxed as a political organization, in accordance with Internal Revenue Code Section 527, and is taxed only on income not specifically exempted, such as interest and dividend income.

The Party follows FASB ASC 740, *Accounting for Uncertainty in Income Tax*. That standard prescribes a minimum recognition threshold and measurement methodology that a tax position taken or expected to be taken in a tax return is required to meet before being recognized in the financial statements. It also provides guidance for de-recognition, classification, interest and penalties, accounting in interim periods, disclosure, and transition.

Pro-rata Transfers and Other Transfers

Expenditures paid by one fund on behalf of another fund are recorded as interfund receivables and payables if repayment is expected. If repayment is not expected, they are recorded as transfers. Transfers among funds are reported as additions to or subtractions from the respective fund balances. The pro-rata allocation of expenses also represents transfers of funds to the allocation fund in order to comply with Federal Election Commission requirements. All transfers, whether pro-rata allocation of expenses or other transfers, are reflected as part of the change in net assets.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**STATE REPUBLICAN EXECUTIVE COMMITTEE
AKA REPUBLICAN PARTY OF TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013**

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Compliance with Campaign Acts

The Party is subject to audit for compliance with federal and state election regulations by representatives of the Federal Election Commission and Texas Ethics Commission. In the opinion of management, the Party has complied with federal and state election regulations, and adjustments, if any, resulting from an audit of the Party would not materially affect their financial position.

Subsequent Events

Management of the Party has evaluated subsequent events for disclosure through the date of the Independent Auditors' Report, the date the financial statements were available to be issued.

NOTE B - INCOME TAXES

The Party records federal income tax expense on investment income for 2014 at a 35% tax rate after direct investment expenses and exemptions of \$100. In accordance with regulations, the federal income taxes are paid out of the Republican Party of Texas Allocation Fund and the allocation fund included within the Victory Funds. Taxes paid for the years ended December 31, 2014 and 2013, were \$3,935 and \$3,886, respectively.

NOTE C - CONCENTRATION OF CREDIT RISK

The Party maintains its cash deposits in a single high credit quality financial institution. At various times during the year, these deposits may exceed Federal Deposit Insurance Corporation (FDIC) limits. Management assesses the credit risk associated with the deposits on an ongoing basis. The Party has not experienced any losses in such accounts and management believes it is not exposed to any significant credit risk on these deposits. At December 31, 2014, the Party's deposits at this institution exceeded FDIC insurance limits by \$769,850.

**STATE REPUBLICAN EXECUTIVE COMMITTEE
AKA REPUBLICAN PARTY OF TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013**

NOTE D - PROPERTY AND EQUIPMENT

The following shows the balances in property and equipment by major classification with the related total accumulated depreciation at December 31, 2014 and 2013:

<u>Major Class of Property and Equipment</u>	<u>2014</u>	<u>2013</u>
Furniture and fixtures	\$ 19,595	\$ 19,595
Computer hardware & software	31,410	24,713
Network hardware & software	88,631	41,251
Other fixed assets	<u>1,935</u>	<u>1,934</u>
Total original cost	141,571	87,493
Less accumulated depreciation	<u>(95,162)</u>	<u>(80,036)</u>
Net property and equipment	<u><u>\$ 46,409</u></u>	<u><u>\$ 7,457</u></u>

Total depreciation expense included in the Statement of Activities and Changes in Net Assets for 2014 and 2013 was \$15,126 and \$4,917, respectively.

NOTE E - LEASE COMMITMENTS

The Party leases office space and equipment under several long-term operating leases. The Party entered into a sublease agreement, for a portion of the leased space, with a limited liability partnership until September of 2015. Rental income from this sublease agreement was \$18,315 and \$17,955 for the years ended December 31, 2014 and 2013, respectively. Rent expense for office space included in the Statement of Activities and Changes in Net Assets for 2014 and 2013 was \$239,855 and \$250,514, respectively.

**STATE REPUBLICAN EXECUTIVE COMMITTEE
AKA REPUBLICAN PARTY OF TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013**

NOTE E - LEASE COMMITMENTS (Continued)

The following is a summary of future minimum rental payments under these operating leases:

<u>Year ending December 31,</u>	<u>Amount</u>
2015	\$ 130,679
2016	<u>5,830</u>
Total	<u>\$ 136,509</u>

In addition to the above basic rental costs, the Party is responsible for approximately \$7,400 per month in common area maintenance charges, parking fees, and property taxes.

NOTE F - COMMITMENTS AND CONTINGENCIES

The Party may be involved from time to time in various lawsuits in the normal course of business. The Party's management assesses such contingent liabilities and such assessment inherently involves an exercise of judgement. Management does not believe any pending litigation at December 31, 2014, would have a negative financial impact on these financial statements.

**SUPPLEMENTARY
INFORMATION**

**STATE REPUBLICAN EXECUTIVE COMMITTEE
AKA REPUBLICAN PARTY OF TEXAS
COMBINING STATEMENT OF FINANCIAL POSITION
December 31, 2014**

	Republican Party of Texas Allocation Fund	Republican Party of Texas Federal Fund	Republican Party State Fund
<u>ASSETS</u>			
CURRENT ASSETS			
Cash and cash equivalents	\$ 250	\$ 168,799	\$ 430,206
Prepaid expenses	39,413	6,713	-
	39,663	175,512	430,206
PROPERTY AND EQUIPMENT			
Furniture, equipment, and software	102,478	-	-
Accumulated depreciation	(86,475)	-	-
	16,003	-	-
Net property and equipment	16,003	-	-
Total assets	\$ 55,666	\$ 175,512	\$ 430,206
<u>LIABILITIES AND NET ASSETS</u>			
CURRENT LIABILITIES			
Accounts payable and accrued liabilities	\$ 21,077	\$ 16,265	\$ 84
Primary fees held in trust	-	-	-
	21,077	16,265	84
Total current liabilities	21,077	16,265	84
NET ASSETS			
Unrestricted net assets	34,589	159,247	430,122
Total liabilities and net assets	\$ 55,666	\$ 175,512	\$ 430,206

See Independent Auditors' Report.

Schedule 1

<u>Candidate Resource Committee</u>	<u>Corporate Fund</u>	<u>Primary Fund</u>	<u>Building Fund</u>	<u>Victory Funds</u>	<u>Convention Funds</u>	<u>Total of All Funds</u>
\$ 6,483	\$ 140,286	\$ 50	\$ -	\$ 196,498	\$ 1,500	\$ 944,072
-	-	-	-	-	-	46,126
<u>6,483</u>	<u>140,286</u>	<u>50</u>	<u>-</u>	<u>196,498</u>	<u>1,500</u>	<u>990,198</u>
-	-	-	-	39,093	-	141,571
-	-	-	-	(8,687)	-	(95,162)
-	-	-	-	30,406	-	46,409
<u>\$ 6,483</u>	<u>\$ 140,286</u>	<u>\$ 50</u>	<u>\$ -</u>	<u>\$ 226,904</u>	<u>\$ 1,500</u>	<u>\$ 1,036,607</u>
\$ -	\$ 68	\$ -	\$ -	\$ -	\$ -	\$ 37,494
-	-	50	-	-	-	50
-	<u>68</u>	<u>50</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>37,544</u>
<u>6,483</u>	<u>140,218</u>	<u>-</u>	<u>-</u>	<u>226,904</u>	<u>1,500</u>	<u>999,063</u>
<u>\$ 6,483</u>	<u>\$ 140,286</u>	<u>\$ 50</u>	<u>\$ -</u>	<u>\$ 226,904</u>	<u>\$ 1,500</u>	<u>\$ 1,036,607</u>

See Independent Auditors' Report.

**STATE REPUBLICAN EXECUTIVE COMMITTEE
AKA REPUBLICAN PARTY OF TEXAS
COMBINING STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
For the Year Ended December 31, 2014**

	Republican Party of Texas Allocation Fund	Republican Party of Texas Federal Fund	Republican Party State Fund
CHANGES IN UNRESTRICTED NET ASSETS			
Revenues			
Direct mail -			
Sustaining	\$ -	\$ 721,299	\$ 70,359
Prospecting	-	101,728	1,945
Telemarketing -			
Sustaining	-	257,464	5,635
Prospecting	-	54,614	725
Other fundraising			
Events	-	36,250	34,650
Major donors	-	122,473	92,575
Other income	-	1,077,955	18,315
Convention fees	-	-	-
Primary filing fees	-	-	-
List fulfillment revenues	-	3,371	1,215
In-kind contributions	-	6,060	24,827
	<u>-</u>	<u>2,381,214</u>	<u>250,246</u>
Total unrestricted revenues			
Expenses			
Finance/Fundraising	290	725,116	453
Political	53,542	385,962	71,646
Departmental allocations	388,308	22,957	6,890
Party activities	129,770	(722)	30,822
Administration	(564)	152,909	374
Accounting	4,694	117,217	-
Communications	18,220	18,554	-
Primary	-	-	-
Victory	-	-	-
Field offices	-	1,096,207	-
In-kind expenses	-	6,060	24,827
	<u>594,260</u>	<u>2,524,260</u>	<u>135,012</u>
Total expenses			
Increase (Decrease) in unrestricted net assets	(594,260)	(143,046)	115,234
Unrestricted net assets - beginning of year	12,251	664,215	47,524
Pro-rata and other transfers in (out)	616,598	(361,922)	267,364
Unrestricted net assets - end of year	<u>\$ 34,589</u>	<u>\$ 159,247</u>	<u>\$ 430,122</u>

See Independent Auditors' Report.

Schedule 2

Candidate Resource Committee	Corporate Fund	Primary Fund	Building Fund	Victory Funds	Convention Funds	Total of All Funds
\$ -	\$ 3,820	\$ -	\$ -	\$ 9,845	\$ -	\$ 805,323
-	70	-	-	870	-	104,613
-	13,170	-	-	-	-	276,269
-	410	-	-	-	-	55,749
106,176	87,050	-	-	586,848	-	850,974
-	25,000	-	-	1,987,491	-	2,227,539
1,160	347	-	-	395	-	1,098,172
-	-	-	-	-	1,151,805	1,151,805
-	-	511,307	-	-	-	511,307
-	1,030	-	-	-	-	5,616
-	3,527	-	-	676,336	-	710,750
<u>107,336</u>	<u>134,424</u>	<u>511,307</u>	<u>-</u>	<u>3,261,785</u>	<u>1,151,805</u>	<u>7,798,117</u>
-	-	-	-	-	-	725,859
125,010	-	-	-	17,496	-	653,656
50	1,174	200	-	2,716	15,297	437,592
12,722	-	-	-	-	1,085,937	1,258,529
-	-	-	-	-	-	152,719
-	-	-	-	-	-	121,911
1,611	-	-	-	-	-	38,385
-	-	534,580	-	-	-	534,580
-	-	-	-	2,137,462	-	2,137,462
-	-	-	-	-	-	1,096,207
-	3,527	-	-	637,243	-	671,657
<u>139,393</u>	<u>4,701</u>	<u>534,780</u>	<u>-</u>	<u>2,794,917</u>	<u>1,101,234</u>	<u>7,828,557</u>
(32,057)	129,723	(23,473)	-	466,868	50,571	(30,440)
38,540	114,195	-	-	87,686	65,092	1,029,503
-	(103,700)	23,473	-	(327,650)	(114,163)	-
<u>\$ 6,483</u>	<u>\$ 140,218</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 226,904</u>	<u>\$ 1,500</u>	<u>\$ 999,063</u>

See Independent Auditors' Report.

**STATE REPUBLICAN EXECUTIVE COMMITTEE
AKA REPUBLICAN PARTY OF TEXAS
COMBINING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2014**

	Republican Party of Texas Allocation Fund	Republican Party of Texas Federal Fund	Republican Party State Fund
CASH FLOWS FROM OPERATING ACTIVITIES			
Net increase (decrease) in net assets	\$ (594,260)	\$ (143,046)	\$ 115,234
Transfers in (out)	616,598	(361,922)	267,364
Increase (decrease) in net assets after transfers in (out)	22,338	(504,968)	382,598
Adjustment to reconcile increase (decrease) in net assets to cash provided (used) by operating activities			
In-kind support for fixed asset acquisition			
Depreciation expense	6,439	-	-
<u>(Increase) decrease in operating assets -</u>			
Prepaid expenses	(5,792)	1,501	-
<u>Increase (decrease) in operating liabilities -</u>			
Accounts payable and accrued liabilities	(8,000)	12,276	80
Primary fees held in trust	-	-	-
Net cash provided (used) by operating activities	<u>14,985</u>	<u>(491,191)</u>	<u>382,678</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of fixtures and equipment	(14,985)	-	-
Net cash provided (used) by investing activities	<u>(14,985)</u>	<u>-</u>	<u>-</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
	-	-	-
Net increase (decrease) in cash and cash equivalents	-	(491,191)	382,678
Cash and cash equivalents - beginning of year	250	659,990	47,528
Cash and cash equivalents - end of year	<u>\$ 250</u>	<u>\$ 168,799</u>	<u>\$ 430,206</u>
Supplemental information:			
Cash paid during the year for:			
Interest	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Federal income taxes	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,935</u>

See Independent Auditors' Report.

Candidate Resource Committee	Corporate Fund	Primary Fund	Building Fund	Victory Funds	Convention Funds	Total of All Funds
\$ (32,057)	\$ 129,723	\$ (23,473)	\$ -	\$ 466,868	\$ 50,571	\$ (30,440)
-	(103,700)	23,473	-	(327,650)	(114,163)	-
(32,057)	26,023	-	-	139,218	(63,592)	(30,440)
-	-	-	-	(39,093)	-	(39,093)
-	-	-	-	8,687	-	15,126
-	-	-	-	-	50,440	46,149
-	(28)	-	-	-	-	4,328
-	-	(511,220)	-	-	-	(511,220)
(32,057)	25,995	(511,220)	-	108,812	(13,152)	(515,150)
-	-	-	-	-	-	(14,985)
-	-	-	-	-	-	(14,985)
-	-	-	-	-	-	-
(32,057)	25,995	(511,220)	-	108,812	(13,152)	(530,135)
38,540	114,291	511,270	-	87,686	14,652	1,474,207
<u>\$ 6,483</u>	<u>\$ 140,286</u>	<u>\$ 50</u>	<u>\$ -</u>	<u>\$ 196,498</u>	<u>\$ 1,500</u>	<u>\$ 944,072</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,935</u>

See Independent Auditors' Report.

**STATE REPUBLICAN EXECUTIVE COMMITTEE
AKA REPUBLICAN PARTY OF TEXAS
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2014 THROUGH 2007**

State Chair State Vice Chair Election Cycle	Munisteri Clark/Fredricks Gubernatorial 2014	Munisteri Fredricks Off 2013	Munisteri Fredricks Presidential 2012
	<u>2014</u>	<u>2013</u>	<u>2012</u>
<u>ASSETS</u>			
CURRENT ASSETS			
Cash and cash equivalents	\$ 944,072	\$ 1,474,207	\$ 1,011,166
Accounts Receivable	-	-	-
Interest Receivable	-	-	-
Prepaid expenses	46,126	92,275	35,347
	<u>990,198</u>	<u>1,566,482</u>	<u>1,046,513</u>
Total current assets			
PROPERTY AND EQUIPMENT			
Furniture, equipment, and software	141,571	87,493	84,165
Accumulated depreciation	(95,162)	(80,036)	(75,119)
	<u>46,409</u>	<u>7,457</u>	<u>9,046</u>
Net property and equipment			
Total assets	<u>\$ 1,036,607</u>	<u>\$ 1,573,939</u>	<u>\$ 1,055,559</u>
<u>LIABILITIES AND NET ASSETS</u>			
CURRENT LIABILITIES			
Capital Lease Obligation	\$ -	\$ -	\$ -
Accounts payable and accrued liabilities	37,494	33,166	13,113
Federal Income Taxes Payable	-	-	-
Primary fees held in trust	50	511,270	91,530
	<u>37,544</u>	<u>544,436</u>	<u>104,643</u>
Total current liabilities			
NET ASSETS			
Unrestricted net assets (deficit)	<u>999,063</u>	<u>1,029,503</u>	<u>950,916</u>
Total liabilities and net assets	<u>\$ 1,036,607</u>	<u>\$ 1,573,939</u>	<u>\$ 1,055,559</u>

See Independent Auditors' Report.

Schedule 4

Munisteri Fredricks Off 2011	Munisteri Fredricks Gubernatorial 2010	Adams/Benkiser Armstrong Off 2009	Benkiser Armstrong Presidential 2008	Benkiser Armstrong Off 2007
\$ 1,340,012	\$ 698,304	\$ 547,810	\$ 195,385	\$ 1,426,770
-	985	539	32,988	4,410
-	-	-	-	797
49,152	22,451	37,381	33,532	55,590
<u>1,389,164</u>	<u>721,740</u>	<u>585,730</u>	<u>261,905</u>	<u>1,487,567</u>
370,009	370,009	361,705	369,257	400,760
(360,920)	(345,675)	(327,077)	(347,634)	(368,612)
9,089	24,334	34,628	21,623	32,148
<u>\$ 1,398,253</u>	<u>\$ 746,074</u>	<u>\$ 620,358</u>	<u>\$ 283,528</u>	<u>\$ 1,519,715</u>
\$ -	\$ -	\$ -	\$ -	\$ 4,987
16,166	12,578	802,461	252,019	387,014
-	-	-	-	3,871
684,110	-	-	-	-
<u>700,276</u>	<u>12,578</u>	<u>802,461</u>	<u>252,019</u>	<u>395,872</u>
697,977	733,496	(182,103)	31,509	1,123,843
<u>\$ 1,398,253</u>	<u>\$ 746,074</u>	<u>\$ 620,358</u>	<u>\$ 283,528</u>	<u>\$ 1,519,715</u>

See Independent Auditors' Report.

**STATE REPUBLICAN EXECUTIVE COMMITTEE
AKA REPUBLICAN PARTY OF TEXAS
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEARS ENDED DECEMBER 31, 2014 THROUGH 2007**

State Chair State Vice Chair Election Cycle	Munisteri Clark/Fredricks Gubernatorial 2014	Munisteri Fredricks Off 2013	Munisteri Fredricks Presidential 2012
CHANGES IN UNRESTRICTED NET ASSETS			
Revenues			
Direct mail -			
Sustaining	\$ 805,323	\$ 716,323	\$ 1,437,259
Prospecting	104,613	186,447	18,554
Telemarketing -			
Sustaining	276,269	384,936	506,694
Prospecting	55,749	128,075	345,306
Other fundraising -			
Events	850,974	376,704	320,854
Major donors	2,227,539	479,331	1,749,906
Other income	1,098,172	290,202	290,223
Convention fees	1,151,805	9,150	1,296,553
Primary filing fees	511,307	145,969	639,926
List fulfillment revenues	5,616	1,460	7,348
In-kind contributions	710,750	68,418	30,276
Total unrestricted revenues	<u>7,798,117</u>	<u>2,787,015</u>	<u>6,642,899</u>
Expenses			
Finance/fundraising	725,859	859,969	1,234,112
Political	653,656	400,290	712,747
Departmental allocations	437,592	403,604	434,185
Party activities	1,258,529	235,929	1,185,518
Administration	152,719	154,329	196,934
Accounting	121,911	106,276	85,005
Communications	38,385	35,450	37,742
Primary	534,580	154,399	657,217
Victory	2,137,462	122,811	1,816,224
Field offices	1,096,207	166,953	-
In-kind expenses	671,657	68,418	30,276
Total expenses	<u>7,828,557</u>	<u>2,708,428</u>	<u>6,389,960</u>
Increase (Decrease) in Unrestricted Net Assets	(30,440)	78,587	252,939
Net assets - beginning of year	<u>1,029,503</u>	<u>950,916</u>	<u>697,977</u>
Net assets - end of year	<u>\$ 999,063</u>	<u>\$ 1,029,503</u>	<u>\$ 950,916</u>

See Independent Auditors' Report.

Schedule 5

Munisteri Fredricks Off 2011	Munisteri Fredricks Gubernatorial 2010	Adams/Benkiser Armstrong Off 2009	Benkiser Armstrong Presidential 2008	Benkiser Armstrong Off 2007
\$ 778,311	\$ 1,312,879	\$ 764,469	\$ 1,134,126	\$ 849,513
750	-	115,777	178,932	185,316
407,108	679,175	643,120	843,199	706,816
190,091	318,308	440,748	528,589	438,833
348,207	1,450,239	142,617	3,015,563	139,200
343,625	1,300,853	87,000	2,237,144	1,519,609
108,323	897,697	113,194	90,429	62,530
37,625	803,500	-	825,308	239,485
22,489	82,453	361,726	94,126	366,050
1,170	3,161	460	3,428	1,626
-	-	-	-	-
<u>2,237,699</u>	<u>6,848,265</u>	<u>2,669,111</u>	<u>8,950,844</u>	<u>4,508,978</u>
959,406	1,271,578	1,491,035	1,616,346	1,587,169
386,127	1,750,306	372,193	2,463,139	382,449
381,029	430,293	353,236	387,995	387,733
225,368	676,797	251,169	1,048,711	445,759
142,754	187,255	248,042	239,212	172,496
101,916	102,294	65,628	173,962	164,680
44,933	46,492	91,476	62,354	48,370
31,585	391,684	10,785	449,522	7,849
100	1,075,967	(841)	3,601,937	276,675
-	-	-	-	-
-	-	-	-	-
<u>2,273,218</u>	<u>5,932,666</u>	<u>2,882,723</u>	<u>10,043,178</u>	<u>3,473,180</u>
(35,519)	915,599	(213,612)	(1,092,334)	1,035,798
<u>733,496</u>	<u>(182,103)</u>	<u>31,509</u>	<u>1,123,843</u>	<u>88,045</u>
<u>\$ 697,977</u>	<u>\$ 733,496</u>	<u>\$ (182,103)</u>	<u>\$ 31,509</u>	<u>\$ 1,123,843</u>

See Independent Auditors' Report.