U S

FINANCIAL STATEMENTS

for the year ended December 31, 2014

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RASMUSSEN, TELLER, O'NEIL & CHRISTMAN
CERTIFIED PUBLIC ACCOUNTANTS & BUSINESS ADVISORS

June 18, 2015

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of

U S:

We have audited the accompanying financial statements of U S (a nonprofit corporation), which comprise the statement of financial position as of December 31, 2014, and the related statements of activities and cash flows for the year 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.

Auditor's Responsibility

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 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 auditor's 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 auditor considers 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.

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Opinion

In our opinion, the financial statements referred to on page 1 present fairly, in all material respects, the financial position of U S as of December 31, 2014, and the changes in its net assets and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Rasmussen, Teller, O'Neil & Christman, P.C.

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STATEMENT OF FINANCIAL POSITION

as of December 31, 2014

ASSETS

Current Assets:				
Cash			$	85,456
Certificates of deposit				1,313,165
Accounts receivable				1,767
Inventory				17,483
Prepaid expenses				10,535
Total current assets				1,428,406
Furniture and Equipment:				
Furniture and equipment	$	138,232		
Less accumulated depreciation		123,996		
Total furniture and equipment				14,236
Other Assets, emergency fund				100,000
Total assets			$	1,542,642

LIABILITIES AND NET ASSETS

Current Liabilities:				
Accounts payable			$	83,734
Accrued compensation				22,501
Total current liabilities				106,235
Net Assets:				
Unrestricted	$	1,417,595		
Temporarily restricted		18,812		
Total net assets				1,436,407
Total liabilities and net assets			$	1,542,642

The accompanying notes are a part of the financial statements.

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STATEMENT OF ACTIVITIES

for the year ended December 31, 2014

	Unrestricted	Temporarily Restricted	Combined
Revenue and support:			
Contributions	$ 1,606,460	$ 14,998	$ 1,621,458
Investment income	5,739	-	5,739
Other income	38,421	-	38,421
	1,650,620	14,998	1,665,618
Net assets released from restrictions in satisfaction of program restrictions	1,541	(1,541)	-
Total revenues and support	1,652,161	13,457	1,665,618
Expenses:			
Program services, including research and education	1,308,679	-	1,308,679
Management and general	221,193	-	221,193
Fundraising	171,631	-	171,631
Total expenses	1,701,503	-	1,701,503
Total increase (decrease) in net assets	(49,342)	13,457	(35,885)
Net Assets, beginning of year	1,466,937	5,355	1,472,292
Net Assets, end of year	$ 1,417,595	$ 18,812	$ 1,436,407

The accompanying notes are a part of the financial statements.

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STATEMENT OF CASH FLOWS

for the year ended December 31, 2014

Increase (Decrease) in Cash

Cash Flows from Operating Activities:			
Decrease in net assets			$ (35,885)
Adjustments to reconcile the decrease in			
net assets to cash used in operating activities:			
Depreciation		$ 4,224	
Changes in current assets and liabilities:			
Accounts receivable	$ (151)		
Inventory	(4,344)		
Prepaid Expenses	(1,981)		
Accounts payable	11,777		
Accrued compensation	(14,574)		
Net change in current assets and liabilities		(9,273)	
Total adjustments			(5,049)
Cash used in operating activities			(40,934)
Cash flows from Investing Activities:			
Maturities of certificates of deposit		1,346,602	
Purchase of certificates of deposit		(1,502,848)	
		(156,246)	
Purchase of furniture and equipment		(2,115)	
Cash used in investing activities			(158,361)
Net decrease in cash			(199,295)
Cash, beginning of year			284,751
Cash, end of year			$ 85,456

The accompanying notes are a part of the financial statements.

NOTES TO FINANCIAL STATEMENTS

For the year ended December 31, 2014

US (the "Organization") was incorporated during 1981 and began operations during 1983. The Organization was formed for charitable, religious, educational, and scientific purposes. It relies primarily on contributions, both unrestricted and temporarily restricted by donors, to finance its programs. The programs are public interest projects with a variety of purposes, including immigration research and reform, language policies, and conservation of natural resources.

The Organization's major project is ProEnglish which is working to preserve our nation's linguistic unity by promoting the use of English and establishing English as the official language for all levels of government. It is financed by contributions from approximately 15,000 members and supporters throughout the nation. ProEnglish seeks to achieve its goal primarily through public education, research, publications, and litigation.

Administrative and fundraising costs are identified and reported separate from program costs.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The Organization uses the accrual basis of accounting whereby revenue is recognized when earned and expenses are recognized when liabilities are incurred. Under this policy, contributions received, as well as any unconditional commitment of future contributions, are recorded as revenue and an increase in net assets upon receipt of the contribution or commitment. If terms of any commitment extend beyond a year, the commitment is recorded at its present value.

Donations received with donor restrictions as to purpose are recorded as temporarily restricted net assets. If a temporarily restricted donation is expended for its designated purpose during the year in which it was received, the donation is recorded as an unrestricted contribution and the related expense is recorded as an expense of unrestricted funds. Any unexpended temporarily restricted contributions at year end are recognized as temporarily restricted net assets.

Other significant accounting policies are described in the following paragraphs.

Fund accounting: To insure compliance with donor restrictions, the Organization employs fund accounting. This is a system whereby resources restricted for specific projects are classified for accounting purposes into separate funds, each with separate accounts. However, the basic financial statements on pages two through five present the combined totals of all funds, with all inter-fund transactions eliminated.

Financial instruments: Financial instruments, such as cash, certificates of deposit, accounts receivable, accounts payable and accrued expenses, are carried at their historical amounts in the financial statements. The amounts approximate fair value of such instruments due to their short maturity. Fair value is a valuation concept that embodies market values and current interest rates.

Cash and certificates of deposit: The Organization holds cash in checking accounts, money market accounts, and various certificates of deposit with maturity dates ranging from January 3, 2015 through July 4, 2015. Certificates of deposit, exclusive of those allocated to the Emergency Fund, are classified as current assets as they have maturity dates within one year of December 31, 2014.

For purposes of the cash flow statement, all purchases and maturities of certificates of deposit are recorded as investment activities.

For risk management purposes, the Organization's cash and certificates of deposit have been placed with a number of high quality banks.

Inventory: Inventory consists of books and pamphlets. It is stated at the lower of cost or market, with cost determined under the first-in, first-out method.

Furniture and equipment: Furniture and equipment are stated at cost. The cost of these assets is capitalized upon acquisition when use is expected to exceed one year and the cost exceeds $100.

Furniture and equipment are being depreciated over their estimated useful lives under the straight-line method. Depreciation expense for 2014 was $4,224.

Estimates: Preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that may affect certain amounts and disclosures reported in the financial statements. Actual results may differ from these estimates, but management is not aware of any estimates in which actual results may differ substantially from the estimates.

Compensated absences: The organization's employees earn hours of vacation pay at various rates depending on length of employment. Each employee may carryover from year-to-year up to one year of their accrued vacation. At year end an accrual is recorded for any unused vacation that complies with this limitation.

Major maintenance costs: The Organization's policy is to expense maintenance costs when incurred, including any maintenance costs that might be considered major. During 2014 there were no maintenance expenses that management considered to be major maintenance expenses.

NOTE B – EMERGENCY RESERVE:

The Emergency Reserve has been established by the Board as a general reserve for emergencies for which other resources would not be available. It can be used at the discretion of the Board. At December 31, 2014 the Reserve was stated at its maximum amount. It is invested in certificates of deposit.

NOTE C – TEMPORARILY RESTRICTED NET ASSETS:

At December 31, 2014 temporarily restricted net assets included unspent donor restricted contributions specified for environmental projects, outdoor lighting conservation, and preservation of the Garrett Hardin web site. The amounts are:

Environmental projects	$11,998
Outdoor lighting conservation	1,814
The Garrett Hardin web site	5,000
Total	$18,812

NOTE D – RENT:

The Organization rents office space in Petoskey, Michigan and Arlington, Virginia on a month-to-month basis. A small portion of the Petoskey office was sub-leased on a month-to-month basis through August 31, 2014.

The 2014 monthly rental rate for Petoskey was $2,708 and for Arlington the monthly rental rate was $3,000 after a $200 per month increase effective October 1, 2014.

Annual rental expense for the two offices less a $900 credit for water damage was $66,021 less sub-lease amounts totaling $2,653. Net rent expense was $63,368.

NOTE E – FEDERAL INCOME TAX:

The Organization has been determined by the Internal Revenue Service to be exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. Accordingly, contributions to the Organization are deductible for federal income tax purposes.

The Organization annually files a Form 990, Return of Organization Exempt From Income Tax, with the Internal Revenue Service. These returns generally remain subject to examination by the Service for a period of three years after filing. Accordingly, returns for the years 2011 through 2013 are subject to examination.

NOTE F – RETIREMENT PLAN:

The Organization has a defined contribution retirement plan under a tax-sheltered annuity program. All full time and qualified part time employees are eligible to participate in the plan. Participating employees must contribute at least two percent of their annual compensation to the plan. The Organization matches these contributions at between five and seven and one-half percent of the employees' compensation. Plan cost for 2014 was $34,636.

NOTE G – MAJOR DONORS:

Each year the Organization solicits funds from the general public, including foundations and other philanthropic organizations. During 2014, one foundation accounted for approximately 67.8 percent of the Organization's contribution revenue.

NOTES TO FINANCIAL STATEMENTS

For the year ended December 31, 2014

NOTE H – PROGRAM SERVICE EXPENSES:

Program service expenses associated with the Organization's major program identified elsewhere in the footnotes and with short-term public interest projects during 2014 were:

ProEnglish	$ 546,818
Other public interest projects	761,861
Total	$1,308,679

The major costs associated with the other public interest projects include the cost of sponsoring an annual conference, publication expenses, fees for research and reports on areas of ecological and social concern, personnel costs, and grants for projects administered by other organizations.

NOTE I – ALLOCATION OF JOINT COSTS:

During 2014, the Organization incurred joint costs of $335,195 for educational materials and activities that included fundraising appeals. Of those costs, $127,302 was allocated to fundraising expenses and $207,893 to program services expenses.

NOTE J– CREDIT RISK:

Cash and certificates of deposit are on deposit in a diverse number of banks each with a solid financial reputation that minimizes credit risk.

Cash and certificates of deposit in the aggregate amount of $890,104 are insured by FDIC. The balance, $608,517, is not covered by such insurance.

NOTE K – COMMITMENTS:

The Organization, through its ProEnglish project, has a program whereby it assists with the financing of litigation to preserve the use of English in the work place and classroom and defend the right of governments to adopt official English laws. In prior years contributions were received designated for this purpose. During 2013, the Organization initiated a suit on behalf of a student at an Arizona college who was denied the right to have her classes conducted in English thereby exhausting these designated contributions during that year. However, the Organization continued to support this litigation during 2014 using unrestricted funds and plans to support the case during 2015 by underwriting the attorneys' out-of-pocket expenses at an undeterminable amount.

NOTE L – SUBSEQUENT EVENTS:

Subsequent events were evaluated through June 18, 2015, the date this report became available for publication. No events occurred during that period that required disclosure.