United Way of America and Subsidiaries

Consolidating Financial Statements and Supplemental Material
Years Ended December 31, 2008 and 2007
United Way of America and Subsidiaries

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Independent Auditors’ Report

To the Board of Trustees
United Way of America and Subsidiaries

We have audited the accompanying consolidating statement of financial position of United Way of America and Subsidiaries (collectively “the Organization”) as of December 31, 2008, and the related consolidating statement of activities and cash flows for the year then ended. These financial statements are the responsibility of the Organization’s management. Our responsibility is to express an opinion on these consolidating financial statements based on our audit. The financial statements and supplemental material of the Organization as of December 31, 2007, were audited by other auditors whose report dated September 22, 2008, expressed an unqualified opinion on those statements.

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 includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization’s internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of United Way of America and Subsidiaries as of December 31, 2008, and the changes in their net assets and their cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Our audit was conducted for the purpose of forming an opinion on the basic consolidating financial statements taken as a whole. The schedule of functional expenses on page 56 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and in our opinion is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

February 26, 2010
### Assets

#### Current assets:
- **Cash and cash equivalents - unrestricted**: $13,187, $1,224, $ - $, $ - $, $9,646
- **Cash and cash equivalents - restricted**: $9,646, $ - $, $ - $, $ - $, $9,646
- **Custodial funds**: $40,982, $ - $, $ - $, $ - $, $40,982
- **Membership support receivable, net**: $766, $ - $, $ - $, $ - $, $766
- **Campaign receivables**
  - Amounts raised on behalf of others: $17,758, $ - $, $ - $, $ - $, $17,758
  - Unrestricted campaign receivables: $7,373, $ - $, $ - $, $ - $, $7,373
- **Contributions receivable, net**: $1,100, $ - $, $ - $, $ - $, $1,100
- **Accounts receivable, net**: $1,026, 274, $ - $, $ - $, $1,300
- **Inventory, net**: $ - $, 775, $ - $, $ - $, $775
- **Deferred income tax**: $ - $, 3, $ - $, $ - $, $3
- **Prepaid expenses and other current assets**: $242, 67, $ - $, $ - $, $309
- **Due from participating local United Ways**: $387, $ - $, $ - $, $ - $, $387
- **Due from affiliates**: $727, $ - $, $ - $, (65), $662

#### Total current assets: $93,194, 2,343, $ - $, (65), $95,472

#### Noncurrent assets:
- **Membership support receivable, net**: $39, $ - $, $ - $, $ - $, $39
- **Custodial funds**: $1,648, $ - $, $ - $, $ - $, $1,648
- **Investment - endowment**: $409, $ - $, $ - $, $ - $, $409
- **Land, building, equipment, and leasehold improvements, net**: $8,608, 47, $ - $, $ - $, $8,655
- **Contributions receivable, net**: $415, $ - $, $ - $, $ - $, $415
- **Investment in UW Store**: $1,527, $ - $, $ - $, (1,527), $ - $
- **Investment in Truist**: $2,942, $ - $, $ - $, $ - $, $2,942
- **Deferred income tax**: $ - $, 298, $ - $, $ - $, $298
- **Intangible property**: $250, $ - $, $ - $, $ - $, $250
- **Other noncurrent assets**: $286, 18, $ - $, $ - $, $304

#### Total noncurrent assets: $16,124, 363, $ - $, (1,527), $14,960

#### Total assets:
- **United Way of America**: $109,318
- **United Way eWay**: $2,706
- **Eliminations**: (1,592)
- **Consolidated**: $110,432
## Consolidating Statements of Financial Position

(in thousands)

<table>
<thead>
<tr>
<th>Year ended December 31, 2007</th>
<th>United Way of America</th>
<th>United Way Store</th>
<th>United eWay</th>
<th>Eliminations</th>
<th>Consolidated</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assets</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current assets:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents - unrestricted</td>
<td>$10,437</td>
<td>$1,569</td>
<td>$72</td>
<td>$-</td>
<td>$12,078</td>
</tr>
<tr>
<td>Cash and cash equivalents - restricted</td>
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<td>-</td>
<td>$11,005</td>
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<tr>
<td>Custodial funds</td>
<td>$11,390</td>
<td>-</td>
<td>$29,231</td>
<td>-</td>
<td>$40,621</td>
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<tr>
<td>Membership support receivable, net</td>
<td>$1,427</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>$1,427</td>
</tr>
<tr>
<td>Campaign receivables:</td>
<td></td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Amounts raised on behalf of others</td>
<td>$19,590</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>$19,590</td>
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<tr>
<td>Unrestricted campaign receivables</td>
<td>$5,165</td>
<td>-</td>
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<td>$5,165</td>
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<tr>
<td>Contributions receivable, net</td>
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<td>-</td>
<td>-</td>
<td>-</td>
<td>$900</td>
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<tr>
<td>Accounts receivable, net</td>
<td>$698</td>
<td>$333</td>
<td>$3,243</td>
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<td>$4,274</td>
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<tr>
<td>Inventory, net</td>
<td>-</td>
<td>$608</td>
<td>-</td>
<td>-</td>
<td>$608</td>
</tr>
<tr>
<td>Deferred income tax</td>
<td>-</td>
<td>$236</td>
<td>-</td>
<td>-</td>
<td>$236</td>
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<tr>
<td>Prepaid expenses and other current assets</td>
<td>$249</td>
<td>$66</td>
<td>$53</td>
<td>-</td>
<td>$368</td>
</tr>
<tr>
<td>Due from participating local United Ways</td>
<td>$336</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>$336</td>
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<tr>
<td>Due from affiliates</td>
<td>$93</td>
<td>-</td>
<td>$90</td>
<td>$(183)</td>
<td>-</td>
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<tr>
<td><strong>Total current assets</strong></td>
<td>$61,290</td>
<td>$2,812</td>
<td>$32,689</td>
<td>$(183)</td>
<td>$96,608</td>
</tr>
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<td>Noncurrent assets:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Membership support receivable, net</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Custodial funds</td>
<td>$1,513</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>$1,513</td>
</tr>
<tr>
<td>Investment - endowment</td>
<td>$366</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>$366</td>
</tr>
<tr>
<td>Land, building, equipment, and leasehold improvements, net</td>
<td>$7,123</td>
<td>$45</td>
<td>$52</td>
<td>-</td>
<td>$7,220</td>
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<tr>
<td>Contributions receivable, net</td>
<td>$117</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>$117</td>
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<tr>
<td>Investment in UW Store</td>
<td>$1,527</td>
<td>-</td>
<td>-</td>
<td>$(1,527)</td>
<td>-</td>
</tr>
<tr>
<td>Investment in eWay</td>
<td>$10,548</td>
<td>-</td>
<td>-</td>
<td>$(10,548)</td>
<td>-</td>
</tr>
<tr>
<td>Deferred income tax</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Intangible property</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Other noncurrent assets</td>
<td>$2,096</td>
<td>$17</td>
<td>-</td>
<td>-</td>
<td>$2,113</td>
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<tr>
<td><strong>Total noncurrent assets</strong></td>
<td>$23,290</td>
<td>$62</td>
<td>$52</td>
<td>$(12,075)</td>
<td>$11,329</td>
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<tr>
<td><strong>Total assets</strong></td>
<td>$84,580</td>
<td>$2,874</td>
<td>$32,741</td>
<td>$(12,258)</td>
<td>$107,937</td>
</tr>
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</table>

See accompanying summary of accounting policies and notes to consolidating financial statements.
### Liabilities and net assets and equity

#### Current liabilities:

<table>
<thead>
<tr>
<th>Description</th>
<th>United Way of America</th>
<th>United Way Store</th>
<th>United eWay</th>
<th>Eliminations</th>
<th>Consolidated</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounts payable and accrued liabilities</td>
<td>3,997</td>
<td>237</td>
<td>-</td>
<td>-</td>
<td>4,234</td>
</tr>
<tr>
<td>Distributions payable to local United Ways</td>
<td>2,365</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>2,365</td>
</tr>
<tr>
<td>Amounts raised on behalf of others</td>
<td>26,673</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>26,673</td>
</tr>
<tr>
<td>Accrued reorganization expenses</td>
<td>453</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>453</td>
</tr>
<tr>
<td>Advances on grants not awarded</td>
<td>187</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>187</td>
</tr>
<tr>
<td>Custodial funds</td>
<td>31,818</td>
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<td>-</td>
<td>-</td>
<td>31,818</td>
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<tr>
<td>Current portion, liability for pension benefits</td>
<td>1,000</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>1,000</td>
</tr>
<tr>
<td>Current portion, postretirement benefits</td>
<td>193</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>193</td>
</tr>
<tr>
<td>Current portion of long term debt</td>
<td>1,172</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>1,172</td>
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<tr>
<td>Deferred revenue:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pledge processing</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Training programs, conference, and fees</td>
<td>2,732</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>2,732</td>
</tr>
<tr>
<td>Due to affiliates</td>
<td>98</td>
<td>65</td>
<td>-</td>
<td>(65)</td>
<td>98</td>
</tr>
<tr>
<td><strong>Total current liabilities</strong></td>
<td>70,688</td>
<td>302</td>
<td>-</td>
<td>(65)</td>
<td>70,925</td>
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</table>

#### Noncurrent liabilities:

<table>
<thead>
<tr>
<th>Description</th>
<th>United Way of America</th>
<th>United Way Store</th>
<th>United eWay</th>
<th>Eliminations</th>
<th>Consolidated</th>
</tr>
</thead>
<tbody>
<tr>
<td>Custodial liability</td>
<td>1,648</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>1,648</td>
</tr>
<tr>
<td>Liability for pension benefits, net of current portion</td>
<td>10,120</td>
<td>574</td>
<td>-</td>
<td>-</td>
<td>10,694</td>
</tr>
<tr>
<td>Deferred rent</td>
<td>405</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>405</td>
</tr>
<tr>
<td>Postretirement benefits, net of current portion</td>
<td>2,205</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>2,205</td>
</tr>
<tr>
<td>Long term debt</td>
<td>1,769</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>1,769</td>
</tr>
<tr>
<td>Deferred tax liability</td>
<td>-</td>
<td>5</td>
<td>-</td>
<td>-</td>
<td>5</td>
</tr>
<tr>
<td>Other noncurrent liabilities</td>
<td>256</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>256</td>
</tr>
<tr>
<td><strong>Total noncurrent liabilities</strong></td>
<td>16,403</td>
<td>579</td>
<td>-</td>
<td>-</td>
<td>16,982</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td>87,091</td>
<td>881</td>
<td>-</td>
<td>(65)</td>
<td>87,907</td>
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</tbody>
</table>

#### Net assets/equity:

<table>
<thead>
<tr>
<th>Description</th>
<th>United Way of America</th>
<th>United Way Store</th>
<th>United eWay</th>
<th>Eliminations</th>
<th>Consolidated</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unrestricted</td>
<td>7,113</td>
<td>-</td>
<td>-</td>
<td>298</td>
<td>7,411</td>
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<tr>
<td>Unrestricted - Board Designated</td>
<td>409</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>409</td>
</tr>
<tr>
<td>Temporarily restricted</td>
<td>14,705</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>14,705</td>
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<tr>
<td>Permanently restricted</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Common stock</td>
<td>-</td>
<td>10</td>
<td>-</td>
<td>(10)</td>
<td>-</td>
</tr>
<tr>
<td>Additional paid-in capital</td>
<td>-</td>
<td>1,517</td>
<td>-</td>
<td>(1,517)</td>
<td>-</td>
</tr>
<tr>
<td>Retained earnings - UW Store</td>
<td>-</td>
<td>298</td>
<td>-</td>
<td>(298)</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total net assets and equity</strong></td>
<td>22,227</td>
<td>1,825</td>
<td>-</td>
<td>(1,527)</td>
<td>22,525</td>
</tr>
</tbody>
</table>

**Total liabilities and net assets and equity**

<table>
<thead>
<tr>
<th>United Way of America</th>
<th>United Way Store</th>
<th>United eWay</th>
<th>Eliminations</th>
<th>Consolidated</th>
</tr>
</thead>
<tbody>
<tr>
<td>$109,318</td>
<td>$2,706</td>
<td>-</td>
<td>(1,592)</td>
<td>$110,432</td>
</tr>
</tbody>
</table>
### United Way of America and Subsidiaries

#### Consolidating Statements of Financial Position
(in thousands)

#### Year ended December 31, 2007

<table>
<thead>
<tr>
<th></th>
<th>United Way of America</th>
<th>United Way Store</th>
<th>United eWay</th>
<th>Eliminations</th>
<th>Consolidated</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Liabilities and net assets and equity</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Current liabilities:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts payable and accrued liabilities</td>
<td>$ 4,620</td>
<td>$ 433</td>
<td>$ 314</td>
<td>$ -</td>
<td>$ 5,367</td>
</tr>
<tr>
<td>Distributions payable to local United Ways</td>
<td>2,820</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>2,820</td>
</tr>
<tr>
<td>Amounts raised on behalf of others</td>
<td>27,579</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>27,579</td>
</tr>
<tr>
<td>Accrued reorganization expense</td>
<td>640</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>640</td>
</tr>
<tr>
<td>Advances on grants not awarded</td>
<td>63</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>63</td>
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<tr>
<td>Custodial funds</td>
<td>3,338</td>
<td>-</td>
<td>29,231</td>
<td>-</td>
<td>32,569</td>
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<tr>
<td>Current portion, liability for pension benefits</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Current portion, postretirement benefits</td>
<td>142</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>142</td>
</tr>
<tr>
<td>Current portion of long term debt</td>
<td>-</td>
<td>-</td>
<td>970</td>
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<td>970</td>
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<tr>
<td>Deferred revenue:</td>
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<tr>
<td>Pledge processing</td>
<td>-</td>
<td>-</td>
<td>428</td>
<td>-</td>
<td>428</td>
</tr>
<tr>
<td>Training programs, conference, and fees</td>
<td>2,817</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>2,817</td>
</tr>
<tr>
<td>Due to affiliates</td>
<td>66</td>
<td>94</td>
<td>23</td>
<td>(183)</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total current liabilities</strong></td>
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<td>527</td>
<td>30,966</td>
<td>(183)</td>
<td>73,395</td>
</tr>
<tr>
<td><strong>Noncurrent liabilities:</strong></td>
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<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Custodial liability</td>
<td>1,512</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>1,512</td>
</tr>
<tr>
<td>Liability for pension benefit, net of current portion</td>
<td>6,999</td>
<td>423</td>
<td>832</td>
<td>-</td>
<td>8,254</td>
</tr>
<tr>
<td>Deferred rent</td>
<td>518</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>518</td>
</tr>
<tr>
<td>Postretirement benefits, net of current portion</td>
<td>3,457</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>3,457</td>
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<tr>
<td>Long term debt</td>
<td>-</td>
<td>-</td>
<td>2,940</td>
<td>-</td>
<td>2,940</td>
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<tr>
<td>Deferred tax liability</td>
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<td>-</td>
<td>-</td>
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<tr>
<td>Other noncurrent liabilities</td>
<td>186</td>
<td>5</td>
<td>1</td>
<td>-</td>
<td>192</td>
</tr>
<tr>
<td><strong>Total noncurrent liabilities</strong></td>
<td>12,672</td>
<td>428</td>
<td>3,773</td>
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<td>16,873</td>
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<tr>
<td><strong>Total liabilities</strong></td>
<td>54,757</td>
<td>955</td>
<td>34,739</td>
<td>(183)</td>
<td>90,268</td>
</tr>
<tr>
<td><strong>Net assets/equity:</strong></td>
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<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unrestricted</td>
<td>11,240</td>
<td>-</td>
<td>(1,998)</td>
<td>(10,548)</td>
<td>(1,306)</td>
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<td>(12,075)</td>
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*See accompanying summary of accounting policies and notes to consolidating financial statements.*
### Year ended December 31, 2008

<table>
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<th>Revenues</th>
<th>United Way of America</th>
<th>United Way Store</th>
<th>United eWay</th>
<th>Eliminations</th>
<th>Consolidated</th>
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<td><strong>Public support:</strong></td>
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<td>(44,157)</td>
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<td>7,664</td>
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<td>Loss from write off of investment in eWay</td>
<td>(7,356)</td>
<td>-</td>
<td>(7,356)</td>
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<tr>
<td>Contribution of Truist ownership to UWA by eWay</td>
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<td>UW/A funding per Asset Purchase Agreement</td>
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<td>Change in tax liability</td>
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<td>(483)</td>
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<td><strong>Effect of adopting Statement 158</strong></td>
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<td><strong>Changes in net assets/net income</strong></td>
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<td><strong>Net assets and equity, beginning of year</strong></td>
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<td><strong>Net assets and equity, end of year</strong></td>
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<td>$22,227</td>
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## United Way of America and Subsidiaries

### Consolidating Statements of Activities

**Year ended December 31, 2007**

<table>
<thead>
<tr>
<th>United Way of America</th>
<th>Unrestricted</th>
<th>Temporarily Restricted</th>
<th>Permanently Restricted</th>
<th>Total</th>
<th>United Way Store</th>
<th>United eWay</th>
<th>Eliminations</th>
<th>Consolidated</th>
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<tr>
<td><strong>Revenues</strong></td>
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<td>Public support:</td>
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<td></td>
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<td></td>
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</tr>
<tr>
<td>Membership support, net</td>
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<td>-</td>
<td>-</td>
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<td>81,799</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>81,799</td>
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<tr>
<td>Less: gross amounts raised on behalf of others</td>
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<td>(64,764)</td>
<td>-</td>
<td>(64,764)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(64,764)</td>
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<tr>
<td>Less: allowance for uncollectible pledges</td>
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<td>(2,162)</td>
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<td>331</td>
<td>-</td>
<td>-</td>
<td>-</td>
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<tr>
<td>Additional revenue from prior year campaigns</td>
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<td>Program services:</td>
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<td>Distributions to participating local United Ways</td>
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<td>Provision for income taxes</td>
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<td>-</td>
<td>-</td>
<td>-</td>
<td>77</td>
<td>-</td>
<td>77</td>
<td></td>
</tr>
<tr>
<td><strong>Total supporting services</strong></td>
<td>6,515</td>
<td>-</td>
<td>-</td>
<td>6,515</td>
<td>1,185</td>
<td>688</td>
<td>(92)</td>
<td>8,963</td>
</tr>
<tr>
<td><strong>Total expenses</strong></td>
<td>61,103</td>
<td>-</td>
<td>88</td>
<td>61,103</td>
<td>5,790</td>
<td>7,546</td>
<td>(617)</td>
<td>73,822</td>
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<tr>
<td>Changes in net assets before non-operating items</td>
<td>4,877</td>
<td>777</td>
<td>88</td>
<td>5,742</td>
<td>133</td>
<td>(1,034)</td>
<td>(200)</td>
<td>4,641</td>
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<tr>
<td><strong>Non-operating items</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>UWA assumption of eWay debt</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>UWA assumption of eWay accrued pension</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Adjust UWA's Truist investment to market</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>UWA funding per Asset Purchase Agreement</td>
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<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
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</tr>
<tr>
<td>Change in tax liability</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>218</td>
<td>-</td>
<td>218</td>
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<tr>
<td>Pension-related changes other than net periodic pension</td>
<td>4,445</td>
<td>-</td>
<td>-</td>
<td>4,445</td>
<td>-</td>
<td>465</td>
<td>4,910</td>
<td></td>
</tr>
<tr>
<td>eWay gain resulting from Truist transaction</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Effect of adopting Statement 158</td>
<td>(11,273)</td>
<td>-</td>
<td>(11,273)</td>
<td>(656)</td>
<td>(779)</td>
<td>(12,708)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capital contribution eWay</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>10,548</td>
<td>(10,548)</td>
<td></td>
</tr>
<tr>
<td>Changes in net assets/net income</td>
<td>(1,951)</td>
<td>777</td>
<td>88</td>
<td>(1,086)</td>
<td>(305)</td>
<td>9,200</td>
<td>(10,748)</td>
<td>(2,939)</td>
</tr>
<tr>
<td>Net assets and equity, beginning of year</td>
<td>13,191</td>
<td>17,440</td>
<td>278</td>
<td>30,909</td>
<td>2,424</td>
<td>(11,198)</td>
<td>(1,527)</td>
<td>20,608</td>
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<tr>
<td>Net asset transfer</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Dividend to United Way of America</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td><strong>Net assets and equity, end of year</strong></td>
<td>$ 11,240</td>
<td>$ 18,217</td>
<td>$ 366</td>
<td>$ 29,823</td>
<td>$ 1,919</td>
<td>$ (1,998)</td>
<td>$ (12,075)</td>
<td>$ 17,669</td>
</tr>
</tbody>
</table>

See accompanying summary of accounting policies and notes to consolidating financial statements.
<table>
<thead>
<tr>
<th>Cash flows from operating activities</th>
<th>UWA</th>
<th>United Way Store</th>
<th>United eWay</th>
<th>Eliminations</th>
<th>Consolidated</th>
</tr>
</thead>
<tbody>
<tr>
<td>Changes in net assets/net income</td>
<td>$(7,596)</td>
<td>31</td>
<td>$1,998</td>
<td>$10,423</td>
<td>$4,856</td>
</tr>
<tr>
<td>Adjustments to reconcile changes in net assets/net income to net cash flows provided (used in) by operating activities:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>855</td>
<td>24</td>
<td>7</td>
<td>-</td>
<td>886</td>
</tr>
<tr>
<td>Provision for allowance for doubtful accounts</td>
<td>(8)</td>
<td>(3)</td>
<td>-</td>
<td>-</td>
<td>(11)</td>
</tr>
<tr>
<td>Bad debt expense</td>
<td>11</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>11</td>
</tr>
<tr>
<td>Inventory write off</td>
<td>-</td>
<td>75</td>
<td>-</td>
<td>-</td>
<td>75</td>
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<tr>
<td>Assumption of debt</td>
<td>4,300</td>
<td>-</td>
<td>(4,300)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Loss on sale of subsidiary</td>
<td>7,356</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>7,356</td>
</tr>
<tr>
<td>Effect of adopting Statement 158</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Non-cash loss, adjustment for pension and postretirement</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Non-cash loss, adjustment for prior campaign allowance</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Changes in assets and liabilities:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Restricted funds</td>
<td>1,359</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>1,359</td>
</tr>
<tr>
<td>Custodial funds</td>
<td>(1,111)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(1,111)</td>
</tr>
<tr>
<td>Membership support receivable, net</td>
<td>630</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>630</td>
</tr>
<tr>
<td>Amounts raised on behalf of others</td>
<td>(906)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(906)</td>
</tr>
<tr>
<td>Campaign receivables</td>
<td>(376)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(376)</td>
</tr>
<tr>
<td>Accounts receivable, net</td>
<td>(339)</td>
<td>62</td>
<td>3,243</td>
<td>-</td>
<td>2,966</td>
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<tr>
<td>Contributions receivable</td>
<td>(498)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(498)</td>
</tr>
<tr>
<td>Inventory</td>
<td>-</td>
<td>(242)</td>
<td>-</td>
<td>-</td>
<td>(242)</td>
</tr>
<tr>
<td>Deferred income tax</td>
<td>-</td>
<td>(60)</td>
<td>-</td>
<td>-</td>
<td>(60)</td>
</tr>
<tr>
<td>Prepaid expenses and other current assets</td>
<td>7</td>
<td>(1)</td>
<td>53</td>
<td>-</td>
<td>59</td>
</tr>
<tr>
<td>Other noncurrent assets</td>
<td>(52)</td>
<td>(1)</td>
<td>-</td>
<td>-</td>
<td>(53)</td>
</tr>
<tr>
<td>Due from participating local United Ways</td>
<td>(51)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(51)</td>
</tr>
<tr>
<td>Due to/from affiliates</td>
<td>(602)</td>
<td>(29)</td>
<td>67</td>
<td>-</td>
<td>(564)</td>
</tr>
<tr>
<td>Investment-endowment</td>
<td>(43)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(43)</td>
</tr>
<tr>
<td>Accounts payable and accrued liabilities</td>
<td>(623)</td>
<td>(196)</td>
<td>(313)</td>
<td>-</td>
<td>(1,132)</td>
</tr>
<tr>
<td>Distributions payable to local United Ways</td>
<td>(455)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(455)</td>
</tr>
<tr>
<td>Accrued reorganization expense</td>
<td>(187)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(187)</td>
</tr>
<tr>
<td>Advances on grants not awarded</td>
<td>124</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>124</td>
</tr>
<tr>
<td>Deferred revenue</td>
<td>(85)</td>
<td>-</td>
<td>(428)</td>
<td>-</td>
<td>(513)</td>
</tr>
<tr>
<td>Postretirement benefits</td>
<td>10</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>10</td>
</tr>
<tr>
<td>Liability for pension benefits</td>
<td>3,944</td>
<td>151</td>
<td>-</td>
<td>-</td>
<td>4,095</td>
</tr>
<tr>
<td>Deferred rent</td>
<td>(113)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(113)</td>
</tr>
<tr>
<td>Other liabilities</td>
<td>70</td>
<td>(5)</td>
<td>(1)</td>
<td>-</td>
<td>64</td>
</tr>
<tr>
<td>Net cash flows provided by (used in) operating activities</td>
<td>5,621</td>
<td>(194)</td>
<td>326</td>
<td>10,423</td>
<td>16,176</td>
</tr>
</tbody>
</table>

| Cash flows from investing activities | | | | | |
| Purchase of equipment               | (2,340) | (26) | 44 | - | (2,322) |
| Purchase of intangible property     | (250) | - | - | - | (250) |
| Investment in Trust                 | 250 | - | - | (10,548) | (10,298) |
| Net cash flows (used in) provided by investing activities | (2,340) | (26) | 44 | (10,548) | (12,870) |

| Cash flow from financing activities | | | | | |
| Dividend to UWA                     | - | (125) | - | 125 | - |
| Repayment of debt                   | (531) | - | (442) | - | (973) |
| Net cash flows used in financing activities | (531) | (125) | (442) | 125 | (973) |
| Net increase (decrease) in cash and cash equivalents | 2,750 | (345) | (72) | - | 2,333 |

| Cash and cash equivalents:          | | | | | |
| Beginning of year                   | 10,437 | 1,569 | 72 | - | 12,078 |
| End of year                         | $(13,187) | $1,224 | - | $- | $14,411 |
### United Way of America and Subsidiaries

#### Consolidating Statements of Cash Flows

(in thousands)

<table>
<thead>
<tr>
<th>Year ended December 31, 2007</th>
<th>United Way of America</th>
<th>United Way Store</th>
<th>United eWay</th>
<th>Eliminations</th>
<th>Consolidated</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cash flows from operating activities</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Changes in net assets/(loss) income</td>
<td>$ (1,086)</td>
<td>$ (305)</td>
<td>$ 9,200</td>
<td>$ (10,748)</td>
<td>$ (2,939)</td>
</tr>
<tr>
<td>Adjustments to reconcile changes in net assets/net income to net cash flows provided by/(used in) operating activities:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>787</td>
<td>60</td>
<td>13</td>
<td>-</td>
<td>860</td>
</tr>
<tr>
<td>Provision for allowance for doubtful accounts</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Bad debt expense</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Inventory write off</td>
<td>-</td>
<td>70</td>
<td>-</td>
<td>-</td>
<td>70</td>
</tr>
<tr>
<td>Assumption of debt</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Loss on sale of subsidiary</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Effect of adopting Statement 158</td>
<td>(11,273)</td>
<td>(656)</td>
<td>(779)</td>
<td>-</td>
<td>(12,708)</td>
</tr>
<tr>
<td>Non-cash loss, adjustment for pension and postretirement</td>
<td>6,828</td>
<td>656</td>
<td>314</td>
<td>-</td>
<td>7,798</td>
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<tr>
<td>Non-cash loss, adjustment for prior campaign allowance</td>
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<td>-</td>
<td>-</td>
<td>-</td>
<td>(2,493)</td>
</tr>
<tr>
<td><strong>Changes in assets and liabilities:</strong></td>
<td></td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Restricted funds</td>
<td>6,224</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>6,224</td>
</tr>
<tr>
<td>Custodial funds</td>
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<td>-</td>
<td>-</td>
<td>-</td>
<td>(280)</td>
</tr>
<tr>
<td>Membership support receivable, net</td>
<td>355</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>355</td>
</tr>
<tr>
<td>Amounts raised on behalf of others</td>
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<td>-</td>
<td>-</td>
<td>-</td>
<td>5,936</td>
</tr>
<tr>
<td>Campaign receivables</td>
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<td>-</td>
<td>-</td>
<td>-</td>
<td>(8,980)</td>
</tr>
<tr>
<td>Accounts receivable, net</td>
<td>623</td>
<td>60</td>
<td>(865)</td>
<td>-</td>
<td>(182)</td>
</tr>
<tr>
<td>Contributions receivable</td>
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<td>-</td>
<td>-</td>
<td>-</td>
<td>26</td>
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<td><strong>Inventory:</strong></td>
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</tr>
<tr>
<td>-</td>
<td>-</td>
<td>111</td>
<td>-</td>
<td>111</td>
<td></td>
</tr>
<tr>
<td><strong>Deferred expenses and other current assets:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Prepaid expenses and other current assets</td>
<td>-</td>
<td>(236)</td>
<td>-</td>
<td>-</td>
<td>(236)</td>
</tr>
<tr>
<td>Other noncurrent assets</td>
<td>(16)</td>
<td>3</td>
<td>42</td>
<td>-</td>
<td>29</td>
</tr>
<tr>
<td>Due from participating local United Ways</td>
<td>160</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>160</td>
</tr>
<tr>
<td>Due to/from affiliates</td>
<td>7,787</td>
<td>74</td>
<td>(7,861)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Investment-endowment</td>
<td>(88)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(88)</td>
</tr>
<tr>
<td>Accounts payable and accrued liabilities</td>
<td>(571)</td>
<td>35</td>
<td>(247)</td>
<td>-</td>
<td>(783)</td>
</tr>
<tr>
<td>Distributions payable to local United Ways</td>
<td>916</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>916</td>
</tr>
<tr>
<td>Accrued reorganization expense</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Advances on grants not awarded</td>
<td>(2,706)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(2,706)</td>
</tr>
<tr>
<td>Deferred revenue</td>
<td>(16)</td>
<td>-</td>
<td>159</td>
<td>-</td>
<td>143</td>
</tr>
<tr>
<td>Postretirement benefits</td>
<td>(573)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(573)</td>
</tr>
<tr>
<td>Liability for pension benefits</td>
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<td>642</td>
<td>839</td>
<td>-</td>
<td>13,187</td>
</tr>
<tr>
<td>Deferred rent</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Other liabilities</td>
<td>(80)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(80)</td>
</tr>
<tr>
<td><strong>Net cash flows provided by (used in) operating activities:</strong></td>
<td>13,136</td>
<td>514</td>
<td>815</td>
<td>(10,748)</td>
<td>3,717</td>
</tr>
</tbody>
</table>

| **Cash flows from investing activities** | | | | | |
| Purchase of equipment | (535) | (32) | (4) | - | (571) |
| Purchase of intangible property | - | - | - | - | - |
| Investment in eWay | (10,548) | - | - | 10,548 | - |
| **Net cash flows used in investing activities:** | (11,083) | (32) | (4) | 10,548 | (571) |

| **Cash flows from financing activities** | | | | | |
| Dividend to UWA | - | (200) | - | 200 | - |
| Repayment of debt | - | - | (739) | - | (739) |
| **Net cash flows used in financing activities:** | - | (200) | (739) | 200 | (739) |
| **Net increase in cash and cash equivalents:** | 2,053 | 282 | 72 | - | 2,407 |

| **Cash and cash equivalents:** | | | | | |
| Beginning of year | 8,384 | 1,287 | - | - | 9,671 |
| End of year | $ 10,437 | $ 1,569 | $ 72 | $ - | $ 12,078 |

See accompanying summary of accounting policies and notes to consolidating financial statements.
Organization

United Way of America (UWA) is a national organization supported primarily by local United Ways through membership dues. UWA serves the United Way movement by being an exemplary leader in philanthropy and an outstanding mobilizer of resources, helping to shape the Nation’s health and human services agenda and create a better quality of life for all. UWA’s mission is to improve lives by mobilizing the caring power of communities.

UWA’s Tri-State regional office (Tri-State) is responsible for raising charitable funds from employees and companies through United Way campaigns at a group of participating companies whose employees live and/or work in the New York Tri-State region and elect to participate in this specific regional campaign. Workplace campaigns at participating companies are organized in cooperation with local participating United Ways in the Tri-State region.

United Way Store (UW Store) is a wholly owned, for-profit subsidiary of UWA. UW Store’s purpose is to provide sales fulfillment services to local United Ways, UWA, and other organizations. Sales to UWA and local United Ways accounted for approximately 68% and 71% of UW Store’s sales for 2008 and 2007, respectively.

United eWay (eWay) combines advanced online giving with integrated pledge processing and fund distribution services for corporate philanthropic programs. eWay is a wholly owned subsidiary of UWA. Effective June 30, 2008, eWay sold substantially all its assets and transferred certain of its liabilities to Create Hope, Inc., a for-profit Delaware corporation. eWay received a 49% preferred stock ownership with voting rights in Truist Inc. (Truist). Subsequent to the sale, eWay transferred its ownership interest to UWA. As part of the transaction, UWA wrote off its investment in eWay and recorded a loss, net of the value of the Truist stock received.

Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting.

Consolidation Policy

The consolidating financial statements include the accounts of UWA, UW Store and eWay (collectively referred to as “the Organization”). Significant transactions between the companies, including all intercompany balances, have been eliminated in consolidation. Investment in Truist Inc., a 49% owned affiliate, is accounted for on the equity method.
### Cash and Cash Equivalents

The Organization considers all highly liquid instruments, which are to be used for current operations and which have an original maturity of three months or less, to be cash and cash equivalents. Restricted cash consists of cash that is designated for specific purposes by the donor.

### Custodial Funds-UWA

Since 1983, Congress has allocated $2,630,000 to the Federal Emergency Management Agency (FEMA) to provide emergency food and shelter to needy individuals throughout the country. In 1983, a national board was convened to distribute these funds through the Emergency Food and Shelter (EF&S) program, a separate congressionally authorized program of FEMA, which is not consolidated into the Organization’s financial statements. UWA was appointed fiscal agent for the EF&S program. In addition to UWA, other members of the national board include The Salvation Army; the National Council of the Churches of Christ; Catholic Charities USA; the Council of Jewish Federations, Inc.; the American Red Cross; and FEMA. As fiscal agent, UWA is the custodian of the funds and is responsible for the administration and disbursement of grants as directed by the national board. UWA charged certain administrative expenses to EF&S (totaling $175,000 for the years ended December 31, 2008 and 2007, respectively). In 2008 and 2007 approximately $153,000,000 and $152,000,000, respectively, were distributed in the form of grants to other charitable organizations. As of December 31, 2008 and 2007, undistributed balances of $3,700,000 and $3,300,000, respectively, were included in custodial funds, with a corresponding liability in the accompanying consolidating statements of financial position.

As of December 31, 2008 and 2007, UWA’s custodial funds totaled approximately $42,600,000 and $42,100,000, respectively. This total as of December 31, 2008 and 2007 included approximately $9,200,000 and $8,000,000, respectively, designated for amounts raised on behalf of others and $28,000,000 and $0, respectively, for cash restricted for distribution to specified recipient charitable organizations. Short term custodial funds consist of cash and cash equivalents. Long term custodial funds consist of cash and cash equivalents, U.S. Treasury notes, U.S. Government agency notes, corporate notes and common trust funds.

UWA acts as trustee for certain planned giving investments. Annuity payments are made to the donor, and any residual restricted by the donor benefits local United Way’s. For the periods ended December 31, 2008 and 2007, approximately $1,600,000 and $1,500,000, respectively, of such annuities are included as noncurrent custodial assets and custodial liabilities.
Under the Tri-State regional office distribution formula, undesignated campaign pledges from participating companies and their employees, after provision for collection losses and operating expenses, are distributed by a formula based on relative needs and geographic area in which the funds were raised. The formula distribution to local participating United Ways is recorded when the formula calculation is finalized and approved by the Finance committee of the UWA Board of Trustees. The 2007/2008 campaign distribution is reflected in the consolidating statements of activities as funds distributions expense. Funds for each campaign year are disbursed over a twelve-month period beginning in March of the following year. Distributions payable to local United Ways includes the balance of undesignated funds from the 2007/2008 campaign yet to be paid.

Custodial Funds-eWay
At December 31, 2007, eWay’s custodial funds included approximately $29,000,000 of cash restricted for distribution to specified recipient charitable organizations.

Membership Support Receivable
Membership support receivable consists of amounts due from local United Ways for the use of the name and service marks owned by UWA. The allowance method is used to determine uncollectible accounts. An allowance for doubtful accounts related to membership support receivable is calculated as 3% of uncollected pledges, which approximates historical amounts not collected.

Campaign Receivables
Campaign receivables consist of amounts due from companies and employees for charitable giving campaigns. The allowance for doubtful accounts is calculated based upon actual collections from previous campaigns. Once a campaign has been completed, remaining balances in campaign receivables and donor designation payable (which is shown in the consolidating statements of financial position as Amounts Raised on Behalf of Others - ARBO), net of allowances for doubtful accounts and estimated future collections or distributions, are written off through Campaign efforts revenue.

Contributions Receivable
Contributions, which include unconditional promises to give, are recognized as revenues in the period received. Contributions receivable consist of unconditional promises to give that are expected to be received within one year and are recorded at net realizable value. Conditional promises to give are not included as support until the conditions are substantially met.
Unconditional promises to give that are expected to be collected within one year are recorded at their net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of estimated future cash flows. The discounts on those amounts are computed using risk-free interest rates applicable to the years in which the promises are received. Amortization of the discount is included in contribution revenue. The discount is calculated using a risk-free rate of 0.36%, 0.89% and 1.08% for receivables due in 2010, 2011 and 2012, respectively.

The allowance for doubtful accounts is based upon specific identification. Management considers all promises to give to be fully collectible based upon review of balances outstanding and history of collections with donors; therefore, no allowance for doubtful accounts has been established.

### Accounts Receivable
Accounts receivable consist primarily of amounts due from the sale of services or goods. The allowance method is used to determine the uncollectible amounts. The allowance for doubtful accounts is based upon specific identification of uncollectible accounts.

### Inventory
Inventory consists of United Way products and campaign materials as well as other promotional materials held for sale. Inventory is stated at the lower of cost or market, and is valued using the weighted-average cost method. When inventory is determined to be excessive or obsolete, it is reduced by an allowance for estimated excess or obsolete inventory. UW Store wrote off approximately $75,000 and $70,000 of obsolete inventory for the years ended 2008 and 2007, respectively, and had an allowance of approximately $49,000 and $13,000 at December 31, 2008 and 2007, respectively.

### Land, Building, Equipment, and Leasehold Improvements
Land, building, equipment and leasehold improvements are recorded at cost. The Organization capitalizes expenditures for land, building, equipment, and leasehold improvements in excess of certain thresholds specified below. Depreciation and amortization are calculated using the straight-line method over the following useful lives for each entity:
United Way of America and Subsidiaries

Summary of Significant Accounting Policies

<table>
<thead>
<tr>
<th>Asset Type</th>
<th>UWA</th>
<th>UW Store</th>
<th>eWay</th>
</tr>
</thead>
<tbody>
<tr>
<td>Building</td>
<td>35 years</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Furniture, equipment, and software</td>
<td>3-5 years</td>
<td>3-7 years</td>
<td>N/A</td>
</tr>
<tr>
<td>Leasehold improvements, and/or building improvements, and capital leases</td>
<td>The lesser of the term of the lease or the life of the asset</td>
<td>N/A</td>
<td></td>
</tr>
<tr>
<td>Capitalization threshold</td>
<td>$ 2,500</td>
<td>$ 300</td>
<td>$ 2,500</td>
</tr>
</tbody>
</table>

When assets are sold or otherwise disposed of, the asset and related accumulated depreciation and amortization are removed from the accounts and any remaining gain or loss is included in operations. Repairs and maintenance are charged to expense when incurred.

Intangible Property

Intangible property consists of a trademark, which was initially measured based on its fair value. UWA has one trademark that was purchased in 2008, relating to the “Born Learning” campaign which strives to help parents, care-givers and communities to create quality early learning opportunities for young children. The trademark allows United Way to brand certain products and apparel with the “Born Learning” brand. The trademark is not amortized as it has an indefinite useful life due to the fact that the “Born Learning” campaign plans to continue until an undeterminable date in the future.

Deferred Revenue

Deferred revenue consists of pledge processing, training programs and conferences. The Organization recognizes pledge processing revenue ratably over the year received. The Organization recognizes training programs and conference revenues after programs and conferences have been completed. All unexpended training programs and conference revenues at year end are deferred and recognized when the related expenditures occur.
Deferred Rent

A deferred rent liability has been recorded to reflect the benefit of lease incentives included in the office space lease. The benefits of these incentives, including free rent and a tenant improvement allowance, will be recognized equally over the term of the lease.

Net Assets

Unrestricted Net Assets

Unrestricted net assets are available for use in general operations. Board designated net assets is a component of unrestricted net assets, which is a quasi-endowment, set up by the Board of Trustees for the purpose of securing the Organization’s long-term financial viability.

Temporarily Restricted Net Assets

Temporarily restricted net assets consist of amounts that are subject to donor restrictions. The Organization is permitted to use up or expend the donated assets in accordance with the donor restriction.

The Organization reports gifts of cash and other assets as restricted support if they are receivable with donor stipulations that limit the use of the donated assets.

When a donor 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 in the consolidating statements of activities as net assets released from restrictions.

Permanently Restricted Net Assets

Permanently restricted net assets consist of assets whose use is limited by donor-imposed restrictions that neither expire by the passage of time nor can be fulfilled or otherwise removed by action of the Organization. The restrictions stipulate that resources be maintained permanently but permits the Organization to expend the income generated in accordance with the provisions of the agreement.
Revenue

Recognition

UWA membership revenue

Membership revenue is recorded ratably over the calendar year membership term. This membership allows local United Ways to use the name owned by UWA, during the period of membership. Membership support calculations are based on a formula driven process. If any local United Way does not remit its annual membership support, the local United Way’s ability to utilize the name can be revoked. Membership revenue is recognized net of a training credit provided to the members. These training credits are recorded as deferred revenue until the credit expires or is used by the local United Way, at which time the related training revenue is recognized. As of December 31, 2008 and 2007, the amount of the deferred training credit was approximately $2,700,000 and $2,800,000, respectively.

UWA contributions revenue

UWA recognizes contributions received and made, including unconditional promises to give, as revenue in the period received or made. Contributions received are reported as unrestricted support, temporarily restricted support, or permanently restricted support. Temporarily restricted contributions that are used for the purpose specified by the donor in the same year as the contribution is received are recognized as temporarily restricted contributions and are reclassified as net assets released from restrictions in the same year. Promises to contribute that stipulate conditions to be met before the contribution is made are not accrued until the conditions are met. As of December 31, 2008 and 2007, UWA had received conditional promises to give totaling approximately $10,000,000 and $836,000, respectively.

Temporarily restricted campaign efforts, as shown in the consolidating statements of activities, reflects the portion of two different campaign years processed through Tri-State that were both partially recognized in 2008. The 2007/2008 campaign consists of donations pledged primarily in 2007 by the companies and employees which were distributed during 2008. Only pledges that were supported by documentation substantiating both the donor’s unconditional promise to give and the instructions on the use of those funds were recorded in 2007. The remaining promises to give for the 2007/2008 campaign were recorded in 2008 as supporting documentation became available. Similarly, for the 2008/2009 campaign only those pledges that provide both documentation supporting the unconditional promise to give and donor instructions on the use of funds were recorded at December 31, 2008.

Campaign efforts include contributions, amounts raised on behalf of others
(ARBO), and amounts raised by participating companies paid directly to recipient organizations. Contributions and pledges are recognized as revenue in the period received or promised. Pledges received where the donor designates that the gift is for a specific United Way or nonprofit agency are accounted for as agency transactions. Accordingly, while such amounts raised on behalf of others are included in total campaign efforts in the accompanying financial statements they are deducted prior to reporting net distributable contribution. Amounts paid directly are contributions raised in the Tri-State region as part of the Tri-State’s annual campaign.

Unrestricted revenue includes income of approximately $7,800,000 recorded to allowance for uncollectible pledges, reflecting gains realized from better than anticipated pledge collections and over accrual of amounts raised on behalf of others liability for the 2006/2007 Tri-State campaign, which was closed out during 2008. Included within the net assets released from restrictions are the total Tri-State 2007/2008 campaign efforts, amounts raised on behalf of others and allowance for uncollectible pledges.

Campaign Revenue-eWay

United eWay’s revenues are recorded within transaction fees within the consolidating statements of activities and consist of the following: wholesale and retail campaign management, legacy processing and distribution, basic distribution, volunteer suite, and conference revenue. Service fee revenues are generally related to access to the eWay online system, services associated with delivering donor gifts to the end user, and fees to administer customer programs. The Organization’s contracts generally contain access user fees, transaction fees, and administration fees.

Additionally, some contracts contain fees for campaign management which are also classified as service fees in UWA’s consolidating statements of activities. The campaign management fees are deferred and recognized as revenue on a straight-line basis over the campaign period. Fees for monthly user and transaction fees are recognized in the month in which the services are provided. For certain campaign related fees; revenue is recorded ratably over the campaign and results in deferred revenue at each statement of financial position date. The Organization recognizes revenues from service fees when all of the following criteria are met: a) persuasive evidence of an arrangement exists; b) delivery has occurred or services have been rendered; c) the seller’s price to the buyer is fixed or determinable; and d) collectability is reasonably assured.
Additionally, eWay earns interest on funds provided by its customers for distribution to United Way Members. eWay is contractually allowed to hold the funds for up to 45 days and earn interest on those funds. The collection of interest on these clearing accounts is considered by eWay in determination of its fee structure for clients and represents a portion of the payment for services performed by the Organization. The interest totaled approximately $598,000 and $1,100,000 for the years ended December 31, 2008 and 2007, respectively, and is classified as investment income in the Organization’s consolidating statements of activities. United eWay’s volunteer suite of products are provided to local United Ways and to Volunteer Centers who pay an annual licensing fee to have access to the online volunteer management services. Fees associated with this annual license fee are recognized ratably over the license period.

### Expenses

Expenses are recognized by the Organization during the period in which they are incurred. Expenses paid in advance and not yet incurred are deferred to the applicable period. The schedule of functional expenses in the supplemental material includes only the expenses of United Way of America.

### Functional Allocation of Expenses

The costs of providing various program and supporting activities have been summarized on a functional basis in the consolidating statements of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

### Donated Services and Material

A substantial number of volunteers have donated significant amounts of time to the Organization’s program services and to its fund-raising campaigns. No amounts have been recognized in the consolidating statements of activities since jobs done by Organization volunteers do not fall into the criteria established by the Financial Accounting Standards Board in this area.

Donated materials, including software, are recorded at fair value at the date of donation.

The Organization records donated services including advertising, at the respective fair market values of the services received.
Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities and disclosure of contingent 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.

Reclassifications

Certain accounts in the 2007 financial statements have been reclassified to conform with the current year financial statement presentation.
1. Fair Value

In September 2006, the FASB issued SFAS No. 157, “Fair Value Measurements”. This standard clarifies the definition of fair value for financial reporting, establishes a framework for measuring fair value and requires additional disclosures about the use of fair value measurements. SFAS No. 157 is effective for financial statements issued for fiscal years beginning after November 15, 2007 and interim periods within those fiscal years. Effective January 1, 2008, the Organization adopted SFAS No.157, and there are no retrospective adjustments. The adoption did not impact the amounts reported in the consolidating financial statements, but does require additional footnote disclosures about the inputs used to develop the measurements of fair value and the effect of certain measurements reported in the consolidating statements of activities for the fiscal year.

SFAS No. 157 establishes a hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that inputs that are most observable be used when available. Observable inputs are inputs that market participants operating within the same marketplace as UWA would use in pricing UWA’s assets or liabilities based on independently derived and observable market data. Unobservable inputs are inputs that cannot be sourced from a broad active market in which assets or liabilities identical or similar to those of UWA are traded. UWA estimates the price of such assets for which there are only unobservable inputs by using assumptions that market participants that have investments in the same or similar assets would use as determined by the money managers for each investment based on the best information available in the circumstances. The input hierarchy is broken down into three levels based on the degree to which the exit price is independently observable or determinable as follows:

Level 1 – Valuation based on quoted market prices in active markets for identical assets or liabilities. Since valuations are based on quoted prices that are readily and regularly available in an active market, valuation of these products does not entail a significant degree of judgment.

Level 2 – Valuation based on quoted market prices of investments that are not actively traded or for which certain significant inputs are not observable, either directly or indirectly, such as municipal bonds.
Level 3 – Valuation based on inputs that are unobservable and reflect management’s best estimate of what market participants would use as fair value.

The following methods and assumptions were used to estimate the fair value of each class of financial instruments:

Restricted and unrestricted cash and cash equivalents: The carrying amounts of cash and cash equivalents approximate fair value because of their short maturity.

Custodial Funds: Custodial funds consist of cash and cash equivalents, U.S. Treasury notes, U.S. Government agency notes and corporate notes carried at their aggregate market value that is determined by quoted market prices. Custodial funds also consist of common trust funds which are invested primarily in common stock but may also include investments in U.S. Treasury bills, short-term fixed income securities, equity index futures and Standard and Poor’s depository receipts. The value of the common trust funds is based upon the market values of underlying investments.

Investment – endowment: The endowment consists of money market funds. The carrying amount of money market funds approximates fair value because of their short maturity.

Below sets forth a table of assets measured at fair value on a recurring basis as of December 31, 2008 (in thousands):

<table>
<thead>
<tr>
<th>Description</th>
<th>Fair value measurement at reporting date using</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Quoted prices in active markets for identical assets (level 1)</td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>$ 65,058</td>
</tr>
<tr>
<td>Money market funds</td>
<td>409</td>
</tr>
<tr>
<td>U.S. Treasury notes</td>
<td>374</td>
</tr>
<tr>
<td>U.S. Government agency notes</td>
<td>147</td>
</tr>
<tr>
<td>Corporate notes</td>
<td>547</td>
</tr>
<tr>
<td>Common trust funds</td>
<td>-</td>
</tr>
<tr>
<td>Total</td>
<td>$ 66,535</td>
</tr>
</tbody>
</table>
The estimated fair values of UWA’s financial instruments not recorded at fair value on a recurring basis are as follows (in thousands):

<table>
<thead>
<tr>
<th></th>
<th>Carrying Amount</th>
<th>Fair Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>December 31, 2008</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Membership receivables</td>
<td>$ 805</td>
<td>$ 805</td>
</tr>
<tr>
<td>Campaign receivables</td>
<td>$ 25,131</td>
<td>$ 25,131</td>
</tr>
<tr>
<td>Contributions receivable</td>
<td>$ 1,515</td>
<td>$ 1,515</td>
</tr>
<tr>
<td>Accounts receivable</td>
<td>$ 1,300</td>
<td>$ 1,300</td>
</tr>
<tr>
<td>Debt</td>
<td>$ (2,941)</td>
<td>$ (2,941)</td>
</tr>
<tr>
<td>December 31, 2007</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Membership receivables</td>
<td>$ 1,427</td>
<td>$ 1,427</td>
</tr>
<tr>
<td>Campaign receivables</td>
<td>$ 24,755</td>
<td>$ 24,755</td>
</tr>
<tr>
<td>Contributions receivable</td>
<td>$ 1,017</td>
<td>$ 1,017</td>
</tr>
<tr>
<td>Accounts receivable</td>
<td>$ 4,274</td>
<td>$ 4,274</td>
</tr>
<tr>
<td>Debt</td>
<td>$ (3,910)</td>
<td>$ (3,910)</td>
</tr>
</tbody>
</table>

The carrying amount is the amount at which the financial instrument is recorded on the books of the Organization. The fair value is the amount at which the financial instrument could be exchanged in a current transaction between willing parties.

Membership receivables, campaign receivables, contributions receivable and accounts receivable: Fair value approximates the carrying amount due to the relatively short maturity of these financial instruments.

Debt: Fair value is estimated based on the quoted market prices for the same or similar issues or on the current rates offered to UWA for debt of the same remaining maturities.
2. Membership Support Receivable

Membership support receivable consist of the following (in thousands):

<table>
<thead>
<tr>
<th></th>
<th>December 31, 2008</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Membership support receivable</td>
<td>$ 829</td>
<td>$ 1,459</td>
</tr>
<tr>
<td>Allowance for doubtful accounts</td>
<td>(24)</td>
<td>(32)</td>
</tr>
<tr>
<td>Membership support receivable, net</td>
<td>$ 805</td>
<td>$ 1,427</td>
</tr>
</tbody>
</table>

Bad debt expense is determined based on specific identification. There was no bad debt expense for the years ended December 31, 2008 and 2007 related to membership support receivable, and a recovery of approximately $4,000 and $23,000, respectively, was recorded based on collection of an amount previously written off.

3. Campaign Receivables

Campaign receivables and allowance for uncollectible pledges consist of the following (in thousands):

<table>
<thead>
<tr>
<th></th>
<th>December 31, 2008</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amounts raised on behalf of others</td>
<td>$ 17,758</td>
<td>$ 19,590</td>
</tr>
<tr>
<td>Unrestricted campaign receivables</td>
<td>7,373</td>
<td>5,165</td>
</tr>
<tr>
<td>Total campaign receivables</td>
<td>$ 25,131</td>
<td>$ 24,755</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>December 31, 2008</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Campaign receivables</td>
<td>$ 32,154</td>
<td>$ 32,439</td>
</tr>
<tr>
<td>Allowance for uncollectible pledges</td>
<td>(7,023)</td>
<td>(7,684)</td>
</tr>
<tr>
<td>Campaign receivables, net</td>
<td>$ 25,131</td>
<td>$ 24,755</td>
</tr>
</tbody>
</table>
4. Contributions Receivable

Contributions receivable consist of the following unconditional promises to give (in thousands):

\[
\begin{array}{lcc}
\text{December 31,} & 2008 & 2007 \\
\text{Amounts due in:} & & \\
\text{Less than one year} & $1,100 & $900 \\
\text{One to five years} & 425 & 134 \\
\text{Total contributions receivable} & 1,525 & 1,034 \\
\text{Less: unamortized discount} & (10) & (17) \\
\text{Less: contribution receivable current} & 1,100 & 900 \\
\text{Contribution receivable – noncurrent} & $415 & $117 \\
\end{array}
\]

There was no bad debt expense related to contributions receivable in 2008. Bad debt expense totaled approximately $500,000 for the year ended December 31, 2007.

5. Accounts Receivable

Accounts receivable consist of the following (in thousands):

\[
\begin{array}{lcccc}
\text{} & \text{UWA} & \text{UW Store} & \text{e-Way} & \text{Total} \\
\hline
\text{Accounts receivable} & $1,026 & $314 & $ & $1,340 \\
\text{Allowance for doubtful accounts} & (21) & (43) & (84) & (148) \\
\hline
\text{Total} & $1,005 & $271 & $ & $1,300 \\
\end{array}
\]

\[
\begin{array}{lcccc}
\text{} & \text{UWA} & \text{UW Store} & \text{eWay} & \text{Total} \\
\hline
\text{Accounts receivable} & $719 & $376 & $3,327 & $4,422 \\
\text{Allowance for doubtful accounts} & (21) & (43) & (84) & (148) \\
\hline
\text{Total} & $698 & $333 & $3,243 & $4,274 \\
\end{array}
\]
Bad debt expense totaled approximately $11,000 and $0 for the years ended December 31, 2008 and 2007, respectively, related to accounts receivable, and a recovery of $21,000 was recorded during 2007 based on collection of an amount previously written off. There was no such recovery in 2008.

6. **Land, Building, Equipment, and Leasehold Improvements**

Land, building, equipment, and leasehold improvements, at cost, were as follows at December 31 (in thousands):

<table>
<thead>
<tr>
<th></th>
<th>2008</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>UWA</td>
<td>UW Store</td>
<td>eWay</td>
<td>Total</td>
</tr>
<tr>
<td>Land</td>
<td>$ 2,102</td>
<td>$</td>
<td>$</td>
<td>$ 2,102</td>
</tr>
<tr>
<td>Building and building improvements</td>
<td>12,996</td>
<td>$</td>
<td>$</td>
<td>12,996</td>
</tr>
<tr>
<td>Leasehold improvements</td>
<td>2,123</td>
<td>46</td>
<td>$</td>
<td>2,169</td>
</tr>
<tr>
<td>Furniture, equipment, and software</td>
<td>8,331</td>
<td>767</td>
<td>$</td>
<td>9,098</td>
</tr>
<tr>
<td>Less: accumulated depreciation and amortization</td>
<td>(16,944)</td>
<td>(766)</td>
<td>$</td>
<td>(17,710)</td>
</tr>
<tr>
<td></td>
<td>$ 8,608</td>
<td>$ 47</td>
<td>$</td>
<td>$ 8,655</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>2007</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>UWA</td>
<td>UW Store</td>
<td>eWay</td>
<td>Total</td>
</tr>
<tr>
<td>Land</td>
<td>$ 2,102</td>
<td>$</td>
<td>$</td>
<td>$ 2,102</td>
</tr>
<tr>
<td>Building and building improvements</td>
<td>12,360</td>
<td>$</td>
<td>$</td>
<td>12,360</td>
</tr>
<tr>
<td>Leasehold improvements</td>
<td>2,123</td>
<td>46</td>
<td>$</td>
<td>1,584</td>
</tr>
<tr>
<td>Furniture, equipment, and software</td>
<td>6,922</td>
<td>740</td>
<td>574</td>
<td>8,526</td>
</tr>
<tr>
<td>Less: accumulated depreciation and amortization</td>
<td>(16,089)</td>
<td>(741)</td>
<td>(522)</td>
<td>(17,352)</td>
</tr>
<tr>
<td></td>
<td>$ 7,123</td>
<td>$ 45</td>
<td>$ 52</td>
<td>$ 7,220</td>
</tr>
</tbody>
</table>

Depreciation and amortization expense totaled approximately $886,000 and $860,000 for the years ended December 31, 2008 and 2007, respectively.
7. **Investment in Truist**

Truist is an affiliated company accounted for on the equity method. See the Organization accounting policy for a description of Truist. Summarized financial information reported by Truist follows (in thousands).

<table>
<thead>
<tr>
<th>December 31,</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Financial position</strong></td>
<td></td>
</tr>
<tr>
<td>Current assets</td>
<td>$5,106</td>
</tr>
<tr>
<td>Current liabilities</td>
<td>(4,152)</td>
</tr>
<tr>
<td>Working capital</td>
<td>954</td>
</tr>
<tr>
<td>Noncurrent assets</td>
<td>2,714</td>
</tr>
<tr>
<td>Noncurrent liabilities</td>
<td>(27)</td>
</tr>
<tr>
<td><strong>Stockholders’ equity</strong></td>
<td>$3,641</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Results of operations</strong></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating revenues</td>
<td>$8,080</td>
</tr>
<tr>
<td>Loss from operations</td>
<td>$(693)</td>
</tr>
<tr>
<td>Net loss</td>
<td>$(1,027)</td>
</tr>
<tr>
<td>Amounts recorded by UWA</td>
<td></td>
</tr>
<tr>
<td>Investment in Truist</td>
<td>$2,942</td>
</tr>
<tr>
<td>Contribution of Truist ownership by eWay</td>
<td>$3,192</td>
</tr>
</tbody>
</table>

8. **Investment in eWay**

In 2008 UWA wrote off its investment in eWay as part of the transaction to acquire a 49% interest in Truist. The write off of the $10,548,000 investment resulted in a loss of $7,356,000, net of the $3,192,000 contribution of Truist ownership to UWA by eWay.

9. **Debt**

In 2008, UWA renewed an unsecured line-of-credit agreement for $5,000,000. Borrowings under this line are payable upon expiration of the agreement and are subject to certain conditions. The line-of-credit bears interest at LIBOR plus 1.2%. The line expires on August 31, 2009. There were no borrowings outstanding as of December 31, 2008 and 2007, respectively. UWA incurred no interest expense for the years ended December 31, 2008 and 2007.
In September 2009, UWA’s line-of-credit was amended and renewed. The expiration date on the line-of-credit was extended until August 31, 2010. Borrowing limits on the line-of-credit were reduced to a maximum of $3,500,000 between January 1st and June 30th of each year and a maximum of $1,000,000 between July 1st and December 31st of each year. The interest rate on the line-of-credit increased to LIBOR plus 2.0%.

UW Store has a $250,000 line-of-credit agreement. The interest rate on the line is prime plus 1%, payable monthly. The line expires on August 31, 2009. UW Store has pledged a first security interest in all of its assets as collateral on the line. There were no borrowings under the line-of-credit as of December 31, 2008 and 2007, respectively. UW Store incurred no interest expense for the years ended December 31, 2008 and 2007.

During 2009, the line-of-credit expiration date was extended until August 31, 2010. All other terms are the same.

In 2008, UWA assumed the remaining balance of $3,451,000 of a term loan agreement that eWay entered into on May 18, 2004 and renegotiated the interest rate to LIBOR plus 1.3% payable monthly. The initial loan amount was $5,000,000 and had an interest rate of LIBOR plus 2.5%, payable monthly. UWA’s principal repayment is approximately $88,000 per month and will increase to $104,000 per month, beginning in June 2009. During the years ended December 31, 2008 and 2007, the Organization made principal payments of $973,000 and $739,000, respectively. Interest expense was $169,000 and $342,000 for the years ended December 31, 2008 and 2007, respectively.

Future maturities of the term loan, by year and in the aggregate, are as follows (in thousands):

<table>
<thead>
<tr>
<th>December 31.</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>$1,172</td>
</tr>
<tr>
<td>2010</td>
<td>1,563</td>
</tr>
<tr>
<td>2011</td>
<td>206</td>
</tr>
<tr>
<td>Less: current portion of long term debt</td>
<td>1,172</td>
</tr>
<tr>
<td>Non-current long term debt</td>
<td>$1,769</td>
</tr>
</tbody>
</table>
United Way of America and Subsidiaries

Notes to Consolidating Financial Statements

10. Pension and Other Postretirement Benefits

The Organization sponsors the Pension Plan of the United Way of America (UWA Plan), the Defined Benefit Plan for Employees of United Way of Tri-State (Tri-State Plan), the UWA Postretirement Benefit Plan, the Tri-State Postretirement Benefit Plan and several Non-Qualified Plans (Non-Qualified Plans). The Non-Qualified Plans include the United Way of America Senior Vice President’s Plan (Senior VP Plan), United Way of America 415 Replacement Plan (415 Replacement Plan), and the United Way of America Supplemental Employee Retirement Plan (SERP).

Pension Plan of the United Way of America

The UWA Plan (Pension Plan) is a qualified, noncontributory defined benefit pension plan, which includes UW Store and eWay, and covers employees who have reached the age of 21 and completed one year of employment. An employee’s interest becomes fully vested upon the completion of three years or five years of service, depending on the date of hire, and is generally payable upon attainment of early retirement age. Contributions to the plan are based on actuarially determined amounts.

The following is a summary of the funded status of the Pension Plan as of December 31, 2008 and 2007 and the key assumptions used by the Pension Plan’s actuary. The calculations are performed based on a measurement date of December 31, 2008 and December 31, 2007 for the years ended December 31, 2008 and 2007, respectively.

Effective July 1, 2005, the benefit levels of participants in the UWA Plan were frozen as of the effective date of the change and precluded new employees from participating in the UWA Plan.

Effective July 1, 2008, UWA assumed eWay’s portion of the liability and expense of the Pension Plan.

The Defined Benefit Plan for Employees of United Way of Tri-State (Tri-State Plan) was merged into the UWA Plan effective January 1, 2008.

Effective June 30, 2006, the benefit levels of participants in the Tri-State Plan were frozen as of the effective date of the change and precluded new employees from participating in the Tri-State Plan.
The Tri-State Plan is a qualified, noncontributory defined benefit pension plan, which covers employees as of the date of hire. An employee’s interest becomes fully vested upon the completion of five years of service and is generally payable upon attainment of early retirement age. Contributions to the plan are based on actuarially determined amounts.

The measurement dates used for the UWA Plan disclosures are as of December 31, 2008 and December 31, 2007.

Certain information regarding the UWA Plan for the years ended 2008 and 2007 is as follows (in thousands):

<table>
<thead>
<tr>
<th>December 31, 2008</th>
<th>UWA</th>
<th>UW Store</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Benefit obligation, beginning of year</td>
<td>$32,394</td>
<td>$1,887</td>
<td>$34,281</td>
</tr>
<tr>
<td>Service cost</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Interest cost</td>
<td>1,809</td>
<td>102</td>
<td>1,911</td>
</tr>
<tr>
<td>Benefits paid</td>
<td>(1,148)</td>
<td>(13)</td>
<td>(1,161)</td>
</tr>
<tr>
<td>Change in discount rate</td>
<td>(1,149)</td>
<td>(73)</td>
<td>(1,222)</td>
</tr>
<tr>
<td>Actuarial loss</td>
<td>(2,281)</td>
<td>(185)</td>
<td>(2,466)</td>
</tr>
</tbody>
</table>

Benefit obligation, end of year $29,625 $1,718 $31,343

Amounts recognized in the consolidating statements of financial position consist of the following as of December 31, 2008 (in thousands):

<table>
<thead>
<tr>
<th>December 31, 2008</th>
<th>UWA</th>
<th>UW Store</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accumulated benefit obligation</td>
<td>$28,147</td>
<td>$1,523</td>
<td>$29,670</td>
</tr>
<tr>
<td>Projected benefit obligation</td>
<td>$29,625</td>
<td>$1,718</td>
<td>$31,343</td>
</tr>
<tr>
<td>Fair value of plan assets</td>
<td>20,346</td>
<td>1,144</td>
<td>21,490</td>
</tr>
<tr>
<td>Funded status – under funded</td>
<td>$(9,279)</td>
<td>$(574)</td>
<td>$(9,853)</td>
</tr>
<tr>
<td>Unfunded pension liability</td>
<td>$9,279</td>
<td>$574</td>
<td>$9,853</td>
</tr>
</tbody>
</table>
Items not yet recognized as a component of net periodic pension cost as of December 31, 2008 are as follows (in thousands):

<table>
<thead>
<tr>
<th></th>
<th>UWA</th>
<th>UW Store</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amortization of gain</td>
<td>$(731)</td>
<td>$(32)</td>
<td>$(763)</td>
</tr>
<tr>
<td>Loss due to assets</td>
<td>7,921</td>
<td>446</td>
<td>8,367</td>
</tr>
<tr>
<td>Gain due to change in discount rate</td>
<td>(1,149)</td>
<td>(73)</td>
<td>(1,222)</td>
</tr>
<tr>
<td>Gain in benefit obligation</td>
<td>(2,281)</td>
<td>(185)</td>
<td>(2,466)</td>
</tr>
<tr>
<td>Total</td>
<td>$3,760</td>
<td>$156</td>
<td>$3,916</td>
</tr>
</tbody>
</table>

Components of net periodic benefits cost recognized as expenses in the accompanying consolidating statements of activities (in thousands):

<table>
<thead>
<tr>
<th></th>
<th>UWA</th>
<th>UW Store</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest cost</td>
<td>$1,809</td>
<td>$102</td>
<td>$1,911</td>
</tr>
<tr>
<td>Expected return on assets</td>
<td>(2,089)</td>
<td>(117)</td>
<td>(2,206)</td>
</tr>
<tr>
<td>Amortization of loss</td>
<td>731</td>
<td>32</td>
<td>763</td>
</tr>
<tr>
<td>Net Periodic Benefit Cost</td>
<td>$451</td>
<td>$17</td>
<td>$468</td>
</tr>
</tbody>
</table>

For the year ended December 31, 2008, there were no amount of net gain and net prior service cost recognized in the accompanying consolidating statements of activities apart from expenses.

Certain information regarding the UWA Plan for the year ended 2007 is as follows (in thousands):

<table>
<thead>
<tr>
<th></th>
<th>UWA</th>
<th>Tri-State</th>
<th>UW Store</th>
<th>eWay</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Benefit obligation, beginning of year</td>
<td>$24,171</td>
<td>$4,781</td>
<td>$1,606</td>
<td>$950</td>
<td>$31,508</td>
</tr>
<tr>
<td>Interest cost</td>
<td>1,362</td>
<td>289</td>
<td>92</td>
<td>53</td>
<td>1,796</td>
</tr>
<tr>
<td>Benefits paid</td>
<td>(866)</td>
<td>(445)</td>
<td>(28)</td>
<td>(35)</td>
<td>(1,374)</td>
</tr>
<tr>
<td>Change in discount rate</td>
<td>(1,100)</td>
<td>-</td>
<td>(88)</td>
<td>(59)</td>
<td>(1,247)</td>
</tr>
<tr>
<td>Change in mortality</td>
<td>2,025</td>
<td>125</td>
<td>131</td>
<td>61</td>
<td>2,342</td>
</tr>
<tr>
<td>Actuarial loss</td>
<td>636</td>
<td>395</td>
<td>174</td>
<td>51</td>
<td>1,256</td>
</tr>
</tbody>
</table>

Benefit obligation, end of year | $26,228 | $5,145    | $1,887   | $1,021 | $34,281 |
Amounts recognized in the consolidating statements of financial position consist of the following as of December 31, 2007 (in thousands):

<table>
<thead>
<tr>
<th>December 31, 2007</th>
<th>UWA</th>
<th>Tri-State</th>
<th>UW Store</th>
<th>eWay</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accumulated benefit obligation</td>
<td>$24,266</td>
<td>$5,145</td>
<td>$1,664</td>
<td>$740</td>
<td>$31,815</td>
</tr>
<tr>
<td>Projected benefit obligation</td>
<td>$26,228</td>
<td>$5,145</td>
<td>$1,887</td>
<td>$1,021</td>
<td>$34,281</td>
</tr>
<tr>
<td>Fair value of plan assets</td>
<td>20,947</td>
<td>6,096</td>
<td>1,464</td>
<td>189</td>
<td>28,696</td>
</tr>
<tr>
<td>Funded status – (under) over funded</td>
<td>$(5,281)</td>
<td>$(951)</td>
<td>$(423)</td>
<td>$(832)</td>
<td>$(5,585)</td>
</tr>
<tr>
<td>Unfunded pension liability</td>
<td>$(5,281)</td>
<td>$-</td>
<td>$(423)</td>
<td>$(832)</td>
<td>$(6,536)</td>
</tr>
</tbody>
</table>

Items not yet recognized as a component of net periodic pension cost as of December 31, 2007 are as follows (in thousands):

<table>
<thead>
<tr>
<th>December 31, 2007</th>
<th>UWA</th>
<th>Tri-State</th>
<th>UW Store</th>
<th>eWay</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amortization of loss</td>
<td>$(406)</td>
<td>$(147)</td>
<td>$(24)</td>
<td>$(44)</td>
<td>$(621)</td>
</tr>
<tr>
<td>Loss due to assets</td>
<td>919</td>
<td>62</td>
<td>64</td>
<td>14</td>
<td>1,059</td>
</tr>
<tr>
<td>Gain due to change in discount rate</td>
<td>$(1,100)</td>
<td>-</td>
<td>$(88)</td>
<td>$(59)</td>
<td>$(1,247)</td>
</tr>
<tr>
<td>Loss due to change in mortality</td>
<td>2,025</td>
<td>125</td>
<td>131</td>
<td>61</td>
<td>2,342</td>
</tr>
<tr>
<td>Loss in benefit obligation</td>
<td>636</td>
<td>395</td>
<td>174</td>
<td>51</td>
<td>1,256</td>
</tr>
<tr>
<td>Total</td>
<td>$2,074</td>
<td>$435</td>
<td>$257</td>
<td>$23</td>
<td>$2,789</td>
</tr>
</tbody>
</table>

Components of net periodic benefit cost recognized as expenses in the accompanying consolidating statements of activities (in thousands):

<table>
<thead>
<tr>
<th>Year ended</th>
<th>December 31, 2007</th>
<th>UWA</th>
<th>Tri-State</th>
<th>UW Store</th>
<th>eWay</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest cost</td>
<td>$1,361</td>
<td>$289</td>
<td>$91</td>
<td>$55</td>
<td>$1,796</td>
<td></td>
</tr>
<tr>
<td>Expected return on assets</td>
<td>$(1,628)</td>
<td>$(482)</td>
<td>$(113)</td>
<td>$(15)</td>
<td>$(2,238)</td>
<td></td>
</tr>
<tr>
<td>Amortization of net loss</td>
<td>406</td>
<td>147</td>
<td>24</td>
<td>44</td>
<td>621</td>
<td></td>
</tr>
<tr>
<td>Net Periodic Benefit Cost</td>
<td>$139</td>
<td>$(46)</td>
<td>$2,130</td>
<td>$84</td>
<td>$179</td>
<td></td>
</tr>
</tbody>
</table>
For the year ended December 31, 2008 there were no amounts of net gain and net prior service cost recognized in the accompanying consolidating statements of activities apart from expenses.

Estimated amounts to be amortized during the year ending December 31, 2009 are as follows (in thousands):

<table>
<thead>
<tr>
<th>Year ending December 31, 2009</th>
<th>UWA</th>
<th>Tri-State</th>
<th>UW Store</th>
<th>eWay</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net actuarial loss</td>
<td>$ 1,181</td>
<td>$ -</td>
<td>$ 62</td>
<td>$ -</td>
<td>$ 1,243</td>
</tr>
</tbody>
</table>

The components of plan assets and the average asset allocations by asset category are as follows as of December 31,

<table>
<thead>
<tr>
<th>Plan assets</th>
<th>2008 UWA Plan</th>
<th>2007 Tri-State Plan</th>
<th>2007 Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equity securities</td>
<td>62%</td>
<td>60%</td>
<td>0%</td>
</tr>
<tr>
<td>Debt securities</td>
<td>36%</td>
<td>36%</td>
<td>0%</td>
</tr>
<tr>
<td>Cash</td>
<td>2%</td>
<td>4%</td>
<td>100%</td>
</tr>
<tr>
<td>Total</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
</tr>
</tbody>
</table>

The UWA Plan assets are diversified to minimize risk and maximize returns. The targeted asset allocation is 60% equities and 40% fixed income. The UWA Plan assets are managed by professional investment managers and are monitored by UWA’s management, Finance Committee, and Investment and Pension Subcommittee.
Weighted average assumptions used to determine the benefit obligation and net periodic benefit cost are as follows:

**Years ended December 31, 2008 and 2007**

<table>
<thead>
<tr>
<th>Benefits Obligation:</th>
<th>2008</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Discount rate</td>
<td>6.25%</td>
<td>6.00%</td>
</tr>
<tr>
<td>Rate of compensation increase</td>
<td>5.00%</td>
<td>5.00%</td>
</tr>
<tr>
<td>Expected return on plan assets</td>
<td>8.00%</td>
<td>8.00%</td>
</tr>
</tbody>
</table>

| Net Periodic Benefit Cost:                  |       |       |
| Discount rate                              | 6.25% | 6.00% |
| Rate of compensation increase              | 5.00% | 5.00% |
| Expected return on plan assets             | 8.00% | 8.00% |

The expected long-term rate of return on assets assumption was 8% as of December 31, 2008. This assumption represents the rate of return on plan assets reflecting the average rate of earnings expected on the funds invested or to be invested to provide for the benefits included in the benefit obligation. The assumption has been determined by reflecting expectations regarding future rates of return for the investment portfolio, with consideration given to the distribution of investments by asset class and historical rates of return for each individual asset class.

**Expected Future Benefit Payments**

The expected long-term rate of return was determined by multiplying the historical rate of return for an asset class by the percentage of plan assets invested in that class and then adding the result for all classes. In general, it was based on returns for the UWA Plan’s target asset allocation (in thousands).

<table>
<thead>
<tr>
<th>Year ended December 31, 2008</th>
<th>UWA</th>
<th>UW Store</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net periodic benefit costs</td>
<td>$451</td>
<td>$17</td>
<td>$468</td>
</tr>
<tr>
<td>Employer contributions</td>
<td>$94</td>
<td>$22</td>
<td>$116</td>
</tr>
<tr>
<td>Benefits paid</td>
<td>$(1,148)</td>
<td>$(13)</td>
<td>$1,161</td>
</tr>
</tbody>
</table>
The following benefit payments, which reflect expected future service, as appropriate, are expected to be paid (in thousands):

<table>
<thead>
<tr>
<th>Years ending December 31,</th>
<th>UWA</th>
<th>UW Store</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>$ 1,533</td>
<td>$ 25</td>
<td>$ 1,558</td>
</tr>
<tr>
<td>2010</td>
<td>2,410</td>
<td>23</td>
<td>2,433</td>
</tr>
<tr>
<td>2011</td>
<td>992</td>
<td>22</td>
<td>1,014</td>
</tr>
<tr>
<td>2012</td>
<td>1,924</td>
<td>21</td>
<td>1,945</td>
</tr>
<tr>
<td>2013</td>
<td>2,194</td>
<td>524</td>
<td>2,718</td>
</tr>
<tr>
<td>2014 – 2018</td>
<td>10,210</td>
<td>643</td>
<td>10,853</td>
</tr>
</tbody>
</table>

The UWA Plan is positioned to meet the minimum funding requirement as outlined in the Pension Protection Act of 2006. As of January 1, 2008, 93.73% of the current liability for the UWA plan was funded. UWA plans to make contributions during 2009 for the 2008 plan year in order to achieve an 80% funding target attainment percentage as of January 1, 2009, keeping with the Pension Protection Act target. UWA continues to monitor the funded status of its defined benefit plan and to evaluate potential strategies that ensure the plan is managed in compliance with pension laws and regulations.

**Tri-State Make-up Plan**

Tri-State maintains an additional benefit plan to provide employees with the benefits they are not eligible to receive under the qualified pension plan because of limits imposed by ERISA and the Internal Revenue Code. The projected benefit is estimated to be approximately $287,000, which is accrued as of December 31, 2008. Pension expense for these benefits amounted to $62,000 for the years ended December 31, 2008 and 2007.

**United Way of America Non-Qualified Plans**

The Non-Qualified Plans are described below by type of plan.

The Senior VP Plan is a non-qualified, noncontributory plan established for senior vice president-grade employees and above. The Plan was designed to restore benefits eliminated by a change in the qualified plan formula required by the Tax Reform Act of 1986.
The 415 Replacement Plan is a non-qualified, noncontributory defined benefit pension plan established to restore the pension benefits lost under the qualified plan due to the limitations arising from Section 415 of the Tax Equity and Fiscal Responsibility Act of 1982.

The SERP is a non-qualified, noncontributory plan established in 2000. This plan was established to replace benefits in the qualified plan for participants affected by IRS salary limits, as well as benefit limits.

The measurement dates used for the non-qualified plan disclosures are as of December 31, 2008 and December 31, 2007.

Certain information regarding the UWA non-qualified plans for the year ended 2008 is as follows (in thousands):

<table>
<thead>
<tr>
<th></th>
<th>415 Replacement Plan</th>
<th>SERP</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Benefit obligation, beginning of year</td>
<td>$170</td>
<td>$72</td>
<td>$1,550</td>
</tr>
<tr>
<td>Interest cost</td>
<td>10</td>
<td>4</td>
<td>93</td>
</tr>
<tr>
<td>Benefits paid</td>
<td>-</td>
<td>-</td>
<td>(185)</td>
</tr>
<tr>
<td>Change in discount rate</td>
<td>(4)</td>
<td>(1)</td>
<td>(51)</td>
</tr>
<tr>
<td>Actuarial gain</td>
<td>(13)</td>
<td>(3)</td>
<td>(11)</td>
</tr>
<tr>
<td>Benefit obligation, end of year</td>
<td>$163</td>
<td>$72</td>
<td>$1,396</td>
</tr>
</tbody>
</table>
Amounts recognized in the consolidating financial statements of position consist of the following as of December 31, 2008 (in thousands):

<table>
<thead>
<tr>
<th></th>
<th>December 31, 2008</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Senior VP Plan</td>
</tr>
<tr>
<td>Accumulated benefit obligation</td>
<td>$164</td>
</tr>
<tr>
<td>Projected benefit obligation</td>
<td>163</td>
</tr>
<tr>
<td>Fair value of plan assets</td>
<td>77</td>
</tr>
<tr>
<td>Funded status – under funded</td>
<td>$ (86)</td>
</tr>
<tr>
<td>Unfunded pension liability</td>
<td>$86</td>
</tr>
</tbody>
</table>

Items not yet recognized as a component of net periodic pension cost as of December 31, 2008 are the following (in thousands):

<table>
<thead>
<tr>
<th></th>
<th>December 31, 2008</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Senior VP Plan</td>
</tr>
<tr>
<td>Amortization of gain/(loss)</td>
<td>$21</td>
</tr>
<tr>
<td>Loss due to assets</td>
<td>3</td>
</tr>
<tr>
<td>Gain due to change in discount rate</td>
<td>(4)</td>
</tr>
<tr>
<td>Gain in benefit obligation</td>
<td>(13)</td>
</tr>
<tr>
<td>Total</td>
<td>$7</td>
</tr>
</tbody>
</table>
Components of net periodic benefit cost recognized as expenses in the accompanying consolidating statements of activities (in thousands):

<table>
<thead>
<tr>
<th>Year ended December 31, 2008</th>
<th>Senior VP Plan</th>
<th>Replacement Plan</th>
<th>SERP</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest cost</td>
<td>$ 10</td>
<td>$ 4</td>
<td>$ 93</td>
<td>$ 107</td>
</tr>
<tr>
<td>Expected return on assets</td>
<td>(6)</td>
<td>-</td>
<td>-</td>
<td>(6)</td>
</tr>
<tr>
<td>Amortization of net (gain)/loss</td>
<td>(21)</td>
<td>(2)</td>
<td>33</td>
<td>10</td>
</tr>
<tr>
<td>Net periodic benefit cost</td>
<td>$ (17)</td>
<td>$ 2</td>
<td>$ 126</td>
<td>$ 111</td>
</tr>
</tbody>
</table>

For the year ended December 31, 2008, there were no amounts of net gain and net prior service cost recognized in the accompanying consolidating statements of activities apart from expenses.

Estimated amounts to be amortized during the year ending December 31, 2009 are as follows (in thousands):

<table>
<thead>
<tr>
<th>Year ended December 31, 2009</th>
<th>Senior VP Plan</th>
<th>Replacement Plan</th>
<th>SERP</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net actuarial (gain) / loss</td>
<td>$ (21)</td>
<td>$ (3)</td>
<td>$ 21</td>
<td>$ (3)</td>
</tr>
</tbody>
</table>
Certain information regarding the non qualified plans for the year ended 2007 is as follows (in thousands):

<table>
<thead>
<tr>
<th></th>
<th>Senior VP Plan</th>
<th>Replacement Plan</th>
<th>SERP</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Benefit obligation as of</td>
<td>$162</td>
<td>$82</td>
<td>$1,508</td>
<td>$1,752</td>
</tr>
<tr>
<td>October 31, 2006</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Service cost</td>
<td>$162</td>
<td>$82</td>
<td>$1,508</td>
<td>$1,752</td>
</tr>
<tr>
<td>Benefits paid</td>
<td>9</td>
<td>5</td>
<td>87</td>
<td>101</td>
</tr>
<tr>
<td>Change in discount rate</td>
<td>(4)</td>
<td>(2)</td>
<td>(54)</td>
<td>(60)</td>
</tr>
<tr>
<td>Change in mortality</td>
<td>9</td>
<td>(6)</td>
<td>22</td>
<td>25</td>
</tr>
<tr>
<td>Actuarial (gain)</td>
<td>(6)</td>
<td>(7)</td>
<td>(13)</td>
<td>(26)</td>
</tr>
<tr>
<td>Benefit obligation, end of</td>
<td>$170</td>
<td>$72</td>
<td>$1,550</td>
<td>$1,792</td>
</tr>
<tr>
<td>year</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Amounts recognized in the consolidating financial statements of position consist of the following as of December 31, 2007 (in thousands):

<table>
<thead>
<tr>
<th></th>
<th>Senior VP Plan</th>
<th>Replacement Plan</th>
<th>SERP</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accumulated benefit obligation</td>
<td>$170</td>
<td>$72</td>
<td>$1,406</td>
<td>$1,648</td>
</tr>
<tr>
<td>Projected benefit obligation</td>
<td>170</td>
<td>72</td>
<td>1,550</td>
<td>1,792</td>
</tr>
<tr>
<td>Fair value of plan assets</td>
<td>74</td>
<td>-</td>
<td>-</td>
<td>74</td>
</tr>
<tr>
<td>Funded status – under funded</td>
<td>($96)</td>
<td>($72)</td>
<td>($1,550)</td>
<td>($1,718)</td>
</tr>
<tr>
<td>Unfunded pension liability</td>
<td>$96</td>
<td>$72</td>
<td>$1,550</td>
<td>$1,718</td>
</tr>
</tbody>
</table>

Items not yet recognized as a component of net periodic pension cost for the year ended December 31, 2007 (in thousands):

<table>
<thead>
<tr>
<th></th>
<th>Senior VP Plan</th>
<th>Replacement Plan</th>
<th>SERP</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amortization of gain/(loss) during 2008</td>
<td>$24</td>
<td>$2</td>
<td>($42)</td>
<td>($16)</td>
</tr>
<tr>
<td>Loss due to assets</td>
<td>3</td>
<td>-</td>
<td>-</td>
<td>3</td>
</tr>
<tr>
<td>Gain due to change in discount rate</td>
<td>(4)</td>
<td>(2)</td>
<td>(54)</td>
<td>(60)</td>
</tr>
<tr>
<td>Gain in benefit obligation</td>
<td>(6)</td>
<td>(7)</td>
<td>(13)</td>
<td>(26)</td>
</tr>
<tr>
<td>Loss/(gain) due to change in mortality</td>
<td>9</td>
<td>(5)</td>
<td>22</td>
<td>26</td>
</tr>
<tr>
<td>Total gain</td>
<td>$26</td>
<td>$(12)</td>
<td>$(87)</td>
<td>$(73)</td>
</tr>
</tbody>
</table>
Components of net periodic benefit cost recognized as expenses in the accompanying consolidating statements of activities for the year ended December 31, 2007 (in thousands):

<table>
<thead>
<tr>
<th></th>
<th>415 Senior VP Plan</th>
<th>415 Replacement Plan</th>
<th>SERP</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest cost</td>
<td>$ 9</td>
<td>$ 5</td>
<td>$ 87</td>
<td>$ 101</td>
</tr>
<tr>
<td>Expected return on assets</td>
<td>(5)</td>
<td>-</td>
<td>-</td>
<td>(5)</td>
</tr>
<tr>
<td>Amortization of net (gain)/loss</td>
<td>(24)</td>
<td>(2)</td>
<td>42</td>
<td>16</td>
</tr>
</tbody>
</table>

Net periodic benefit cost $ (20) $ 3 $ 129 $ 112

The actuarial gain included in unrestricted net assets related to the UWA non-qualified plans which is expected to be recognized in net periodic pension cost during 2009 is $2,000.

The weighted average assumptions are as follows:

<table>
<thead>
<tr>
<th>Year Ended December 31,</th>
<th>2008</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Measurement date</td>
<td>December 31, 2008</td>
<td>December 31, 2007</td>
</tr>
<tr>
<td>Discount rate</td>
<td>6.25%</td>
<td>6.00%</td>
</tr>
<tr>
<td>Long-term rate</td>
<td>8.00%</td>
<td>8.00%</td>
</tr>
<tr>
<td>Cost of living adjustment</td>
<td>3.00%</td>
<td>3.00%</td>
</tr>
</tbody>
</table>
The following benefit payments, which reflect expected future service, as appropriate, are expected to be paid (in thousands):

<table>
<thead>
<tr>
<th>December 31</th>
<th>Senior VP Plan</th>
<th>415 Replacement Plan</th>
<th>SERP</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>$8</td>
<td>$6</td>
<td>$696</td>
<td>$710</td>
</tr>
<tr>
<td>2010</td>
<td>8</td>
<td>6</td>
<td>-</td>
<td>14</td>
</tr>
<tr>
<td>2011</td>
<td>13</td>
<td>6</td>
<td>-</td>
<td>19</td>
</tr>
<tr>
<td>2012</td>
<td>13</td>
<td>6</td>
<td>-</td>
<td>19</td>
</tr>
<tr>
<td>2013</td>
<td>13</td>
<td>5</td>
<td>-</td>
<td>18</td>
</tr>
<tr>
<td>2014 – 2018</td>
<td>59</td>
<td>25</td>
<td>1,226</td>
<td>1,310</td>
</tr>
</tbody>
</table>

**UWA Postretirement Benefit Plan**

United Way of America provides health care and life insurance benefits to certain retired employees (Post Retirement Benefit Plan). Employees become eligible for benefits in meeting certain age and service requirements. Spouses of eligible participants are also eligible if they meet certain requirements. The United Way of America’s policy is to fund these benefits through premium reimbursements to participants. However, in conformity with Statement of Financial Accounting Standards No. 106, *Employers’ Accounting for Postretirement Benefits Other Than Pensions* (SFAS No. 106), and as amended by Statement of Financial Accounting Standards No. 158, *Employers’ Accounting for Defined Benefit Pension and Other Postretirement Plans* (SFAS No. 158), the cost of providing these benefits is to be accrued over the service period of the active employee group.

Certain employees retiring from UWA on or after attaining age 55 and with five years of credited service are entitled to postretirement life insurance and medical and dental benefit coverage. These benefits are subject to deductibles, copayment provisions, and other limitations. This plan is frozen and not open to new participants.
Certain information regarding the UWA postretirement benefit plan for the years ended 2008 and 2007 is as follows (in thousands):

<table>
<thead>
<tr>
<th>December 31,</th>
<th>2008</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accumulated benefit obligation</td>
<td>$ 2,097</td>
<td>$ 2,103</td>
</tr>
<tr>
<td>Fair value of plan assets</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Funded status – under funded</td>
<td>$ (2,097)</td>
<td>$ (2,103)</td>
</tr>
</tbody>
</table>

Accrued benefits cost (including $171 and $142 reported as current liability for 2008 and 2007, respectively) $ (2,681) $ (2,654)

Items not yet recognized as a component of net periodic postretirement benefit cost (in thousands):

<table>
<thead>
<tr>
<th>December 31,</th>
<th>2008</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amortization of loss/(gain)</td>
<td>$ 34</td>
<td>$ (48)</td>
</tr>
<tr>
<td>Gain due to change in mortality</td>
<td>(1)</td>
<td>-</td>
</tr>
<tr>
<td>Gain due to change in discount rate</td>
<td>(46)</td>
<td>(49)</td>
</tr>
<tr>
<td>(Gain)/loss in benefit obligation</td>
<td>(12)</td>
<td>840</td>
</tr>
<tr>
<td>Total (gain)/loss</td>
<td>$ (25)</td>
<td>$ 743</td>
</tr>
</tbody>
</table>

Components of net periodic postretirement benefit cost in the accompanying consolidating statements of activities (in thousands):

<table>
<thead>
<tr>
<th>December 31,</th>
<th>2008</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Service cost</td>
<td>$ 11</td>
<td>$ 28</td>
</tr>
<tr>
<td>Interest cost</td>
<td>125</td>
<td>120</td>
</tr>
<tr>
<td>Net amortization</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Amortization of prior service cost</td>
<td>8</td>
<td>8</td>
</tr>
<tr>
<td>Amortization of net gain</td>
<td>(34)</td>
<td>(47)</td>
</tr>
<tr>
<td>Net periodic benefit cost</td>
<td>$110</td>
<td>$ 109</td>
</tr>
</tbody>
</table>
The actuarial gain included in unrestricted net assets related to the UWA Postretirement Plan which is expected to be recognized in net periodic pension cost during 2009 is $41,000. Prior service cost of $8,000 will also be recognized.

The weighted average assumptions are as follows:

<table>
<thead>
<tr>
<th></th>
<th>2008</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Measurement date</td>
<td>December 31, 2008</td>
<td>December 31, 2007</td>
</tr>
<tr>
<td>Discount rate</td>
<td>6.25%</td>
<td>6.00%</td>
</tr>
</tbody>
</table>

UWA costs are frozen at 50% of the premium rate effective when the medical and dental plans were frozen; there are no future health care costs expected, beyond this rate.

The following benefit payments, which reflect expected service, as appropriate, are expected to be paid (in thousands):

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>$171</td>
</tr>
<tr>
<td>2010</td>
<td>171</td>
</tr>
<tr>
<td>2011</td>
<td>171</td>
</tr>
<tr>
<td>2012</td>
<td>176</td>
</tr>
<tr>
<td>2013</td>
<td>187</td>
</tr>
<tr>
<td>2014 – 2018</td>
<td>942</td>
</tr>
</tbody>
</table>

United Way 403(b) Plan

United Way of America offers a contributory defined contribution pension plan (IRC Section 403(b)), that provides for employer matching contributions of the employee contributions (3% to 5% of annual salary depending on years of service) plus an additional contribution of 1% to 3% depending on years of service. UWA’s contribution to this plan was $922,000 and $867,000 for the years ended 2008 and 2007, respectively.
UWA Deferred Compensation Plan

In 2005, UWA established a 457(b) eligible deferred compensation plan to provide make up benefits to highly compensated employees that would not otherwise receive their full employer match under the 403(b) plan. The asset and liability for this plan are included in the consolidating statements of financial position. UWA’s contributions to this plan were $33,000 and $36,000 for the years ended 2008 and 2007, respectively.

United Way Store 401(k) Plan

In 1997, UW Store approved a 401(k) plan for all employees. UW Store accrued contributions of $78,000 and $82,000 for the plan in 2008 and 2007, respectively.

Tri-State Postretirement Benefit Plan

The Tri-State regional office provides a flat dollar amount of life insurance benefits to certain retired employees (Post Retirement Benefit Plan). Employees become eligible for benefits by meeting certain age and service requirements. However, in conformity with SFAS No. 106, and as amended by SFAS No. 158, the cost of providing these benefits are to be accrued over the average remaining lifetime of the retiree group. The measurement dates used for the Tri-State Post Retirement Benefit Plan disclosures are as of December 31, 2008 and December 31, 2007.

Certain employees retiring from Tri-State on or after attaining age 55 and with five years of credited service are entitled to postretirement life insurance coverage. The life insurance amount is generally a flat $35,000 benefit with a few individuals entitled to slightly lesser amounts. This plan is frozen and not open to new participants. There are no plan assets associated with this obligation.
Certain information regarding the Tri-State postretirement plan for the years ended 2008 and 2007 is as follows (in thousands):

<table>
<thead>
<tr>
<th></th>
<th>December 31, 2008</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accumulated benefit obligation</td>
<td>$300</td>
<td>$285</td>
</tr>
<tr>
<td>Fair value of plan assets</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Funded status – under funded</td>
<td>$(-300)</td>
<td>$(-285)</td>
</tr>
</tbody>
</table>

Accrued benefits cost (including $22 and $0 reported as current liability for 2008 and 2007, respectively)

<table>
<thead>
<tr>
<th></th>
<th>December 31, 2008</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$(-60)</td>
<td>$(-50)</td>
</tr>
</tbody>
</table>

Items not yet recognized as a component of net periodic postretirement benefit cost (in thousands):

<table>
<thead>
<tr>
<th></th>
<th>December 31, 2008</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loss due to change in mortality</td>
<td>$2</td>
<td>$-</td>
</tr>
<tr>
<td>Gain due to change in discount rate</td>
<td>$(7)</td>
<td>-</td>
</tr>
<tr>
<td>Loss/(gain) in benefit obligation</td>
<td>26</td>
<td>(16)</td>
</tr>
<tr>
<td>Total loss/(gain)</td>
<td>$21</td>
<td>$(-16)</td>
</tr>
</tbody>
</table>

Components of net periodic postretirement cost in the accompanying consolidating statements of activities (in thousands):

<table>
<thead>
<tr>
<th></th>
<th>December 31, 2008</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Service cost</td>
<td>$-</td>
<td>$-</td>
</tr>
<tr>
<td>Interest cost</td>
<td>18</td>
<td>17</td>
</tr>
<tr>
<td>Amortization of prior service cost</td>
<td>16</td>
<td>18</td>
</tr>
<tr>
<td>Net periodic benefit cost</td>
<td>$34</td>
<td>$35</td>
</tr>
</tbody>
</table>
Estimated amounts to be amortized during the years ending December 31, 2009 and 2008 (in thousands):

<table>
<thead>
<tr>
<th>Year ended December 31,</th>
<th>2009</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Prior service cost</td>
<td>$ 16</td>
<td>$ 18</td>
</tr>
<tr>
<td>Total</td>
<td>$ 16</td>
<td>$ 18</td>
</tr>
</tbody>
</table>

The prior service cost included in unrestricted net assets related to the Tri-State Postretirement Plan which is expected to be recognized in net periodic pension cost during 2009 is $17,000.

The Weighted Average Assumptions are as follows:

<table>
<thead>
<tr>
<th>Measurement date</th>
<th>December 31, 2008</th>
<th>December 31, 2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Measurement date</td>
<td>December 31, 2008</td>
<td>December 31, 2007</td>
</tr>
<tr>
<td>Discount rate</td>
<td>6.25%</td>
<td>6.00%</td>
</tr>
</tbody>
</table>

The following benefit payments, which reflect expected future service, as appropriate are expected to be paid (in thousands):

<table>
<thead>
<tr>
<th>December 31,</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
</tr>
<tr>
<td>2010</td>
</tr>
<tr>
<td>2011</td>
</tr>
<tr>
<td>2012</td>
</tr>
<tr>
<td>2013</td>
</tr>
<tr>
<td>2014 – 2018</td>
</tr>
</tbody>
</table>
Tri-State Split Dollar Life Insurance Plan

Tri-State owns several life insurance policies with split dollar arrangements for certain retired executives. The total of the value of these policies was $158,000 and $135,000 for the years ended December 31, 2008 and 2007, respectively. This value is included in other noncurrent assets on the consolidating statements of financial position.

Tri-State Deferred Compensation Plan

Tri-State has a deferred compensation agreement for the payment of a flexible premium annuity over the beneficiary’s life with any remaining benefits to be distributed to the beneficiary’s estate. The asset for this plan is included in other noncurrent assets in the consolidating statements of financial position. The fair market value of this plan was $843,000 and $812,000 for the years ended December 31, 2008 and 2007, respectively.

11. Board Designated Endowment

In August 2008, the Financial Accounting Standards Board (FASB) issued FASB Staff Position No. 117-1, Endowments of Not-for-Profit Organizations: Net Asset Classification of Funds Subject to an Enacted Version of the Uniform Prudent Management of Institutional Funds Act, and Enhanced Disclosures for All Endowment Funds (FSP No. 117-1).
UWA has board designated funds established for the purpose of securing the Organization’s long-term financial viability and continuing to meet the needs of the Organization. As required by generally accepted accounting principles, net assets of the endowment fund are classified and reported based on the existence or absence of donor-imposed restrictions. UWA has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Organization classifies all permanently restricted net assets as the original value of the gifts to the permanent endowment and the value of subsequent gifts to the permanent endowment. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by UPMIFA.

UWA has no donor restricted endowment funds as of December 31, 2008 and 2007. During the year ended December 31, 2008, a transfer was made between permanently restricted net assets and unrestricted net assets. The transfer was based upon the implementation of FSP No. 117-1, related to board designated funds. UWA’s unrestricted board designated endowment funds totaled $409,000 and $366,000 on December 31, 2008 and 2007, respectively.

UWA has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Organization must hold in perpetuity or for a donor-specified period(s) as well as board-designated funds. The key elements of the policy are governance, deposits and expenditures. Following New York non profit law the policy differentiates between non-restricted and donor restricted funds and sets forth applicable accounting and spending rules. Unrestricted funds can be spent at the board’s discretion so the policy provides for an annual expenditure of up to 5% of market value. Restricted fund expenditures are subject to the gift instrument and state law that prohibits invasion of historic gift value. This policy adopts a conservative approach, preserving historic gift value plus an inflation factor of 3%. Governance and oversight is divided between the Executive and Finance Committees.
Changes in board designated endowment net assets for the year ended December 31, 2008 (in thousands):

<table>
<thead>
<tr>
<th></th>
<th>Unrestricted</th>
<th>Permanently Restricted</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Endowment net assets, beginning of year</td>
<td>$ -</td>
<td>$ 366</td>
<td>$ 366</td>
</tr>
<tr>
<td>Net asset reclassification</td>
<td>366</td>
<td>(366)</td>
<td>-</td>
</tr>
<tr>
<td>Endowment net assets after reclassification</td>
<td>366</td>
<td>-</td>
<td>366</td>
</tr>
<tr>
<td>Interest income</td>
<td>11</td>
<td>-</td>
<td>11</td>
</tr>
<tr>
<td>Contributions</td>
<td>32</td>
<td>-</td>
<td>32</td>
</tr>
<tr>
<td>Endowment net assets, end of year</td>
<td>$ 409</td>
<td>$ -</td>
<td>$ 409</td>
</tr>
</tbody>
</table>

12. Temporarily Restricted Net Assets

Temporarily restricted net assets at December 31, 2008 and 2007 are restricted by the donors as follows (in thousands):

<table>
<thead>
<tr>
<th>Type of Purpose Restriction</th>
<th>2008</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Training and research</td>
<td>$ 4,723</td>
<td>$ 6,175</td>
</tr>
<tr>
<td>Campaign and public relations</td>
<td>4,121</td>
<td>6,196</td>
</tr>
<tr>
<td>Initiative to benefit children, youth, and families</td>
<td>2,334</td>
<td>1,395</td>
</tr>
<tr>
<td>Disaster response and recovery</td>
<td>1,030</td>
<td>2,789</td>
</tr>
<tr>
<td>Economic self-sufficiency</td>
<td>617</td>
<td>26</td>
</tr>
<tr>
<td>Leadership coalition</td>
<td>560</td>
<td>460</td>
</tr>
<tr>
<td>Global initiative</td>
<td>484</td>
<td>618</td>
</tr>
<tr>
<td>Building initiative</td>
<td>454</td>
<td>-</td>
</tr>
<tr>
<td>Volunteer engagement</td>
<td>275</td>
<td>402</td>
</tr>
<tr>
<td>Scholarships</td>
<td>61</td>
<td>75</td>
</tr>
<tr>
<td>Other</td>
<td>46</td>
<td>81</td>
</tr>
<tr>
<td>Total temporarily restricted net assets</td>
<td>$ 14,705</td>
<td>$ 18,217</td>
</tr>
</tbody>
</table>
13. Net Assets Released from Restriction

Temporarily restricted net assets released from restriction are as follows (in thousands):

<table>
<thead>
<tr>
<th></th>
<th>2008</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Campaign and public relations</td>
<td>$15,065</td>
<td>$16,393</td>
</tr>
<tr>
<td>Initiative to benefit children, youth, and families</td>
<td>2,841</td>
<td>935</td>
</tr>
<tr>
<td>Disaster response and recovery</td>
<td>2,225</td>
<td>6,497</td>
</tr>
<tr>
<td>Training and research</td>
<td>1,682</td>
<td>5</td>
</tr>
<tr>
<td>Economic self-sufficiency</td>
<td>1,414</td>
<td>402</td>
</tr>
<tr>
<td>Global initiative</td>
<td>784</td>
<td>382</td>
</tr>
<tr>
<td>Volunteer engagement</td>
<td>625</td>
<td>338</td>
</tr>
<tr>
<td>Building initiative</td>
<td>587</td>
<td>-</td>
</tr>
<tr>
<td>Other</td>
<td>311</td>
<td>1,001</td>
</tr>
<tr>
<td>Leadership coalition</td>
<td>130</td>
<td>100</td>
</tr>
<tr>
<td>Scholarships</td>
<td>22</td>
<td>11</td>
</tr>
<tr>
<td><strong>Net assets released from restrictions</strong></td>
<td><strong>$25,686</strong></td>
<td><strong>$26,065</strong></td>
</tr>
</tbody>
</table>

14. Description of Program and Supporting Services

The following program and supporting services are included in the accompanying consolidating statements of activities:

**Program Services**

**Investor Relations**

Support for system-wide programs including National Corporate Leadership, major gifts, Alexis de Tocqueville program, planned giving, and community and public sector campaigns.

**Community Impact Leadership**

Grant distribution services, community building, national agencies’ support, volunteer development, early childhood development, financial stability, 2-1-1 initiative, and Success by 6. Also, provides regional and technical consultative support to local United Ways, coordination of national activities at the regional level, and crisis response.
Center for Community Leadership

Training programs for volunteers and staff, national conferences, and organizational learning.

Public Policy

Leads UWA’s federal advocacy efforts on behalf of the United Way movement to promote key issues before Congress and the White House.

Brand Leadership

Branding and promotion, public relations, research, publishing and production of campaign films and materials, production of National Football League television spots, and internal communication.

Enterprise Services

Encompasses both the technology assets as well as the alternative services delivery structures associated with specific product groups. The technology assets include the internal technology operations, the national Web site, and the extranet connecting local United Ways.

Campaign and Public Relations

Tri-State is responsible for raising charitable funds from employees and companies through United Way. Workplace campaigns at participating companies are organized in cooperation with twenty nine local participating United Ways in the Tri-State region. Tri-State is responsible for collecting and distributing pledges received in the campaigns from participating companies and their employees. Campaign efforts include contributions, amounts raised on behalf of others (ARBO), and amounts raised by participating companies paid directly to recipient organizations. Local United Ways administer campaigns in connection with other companies and such companies are not part of the campaign income of Tri-State or considered in the Tri-State distribution formula.
Supporting Services

General and Administrative

This supporting service category includes the functions necessary to secure proper administrative functioning of the Organization’s governing board, maintain an adequate working environment, and manage financial responsibilities of the Organization.

Fund-raising

This supporting service category includes expenditures which provide the structure necessary to encourage and secure private financial support.

15. Related Party Transactions

United Way International (UWI) was a separate charitable organization and was not controlled by UWA during fiscal years 2008 and 2007 (see Note 20, Subsequent Events). UWI was incorporated as a District of Columbia not-for-profit corporation in 1974. The purpose of UWI is to promote voluntary charitable services through united fundraising, fund allocation, leadership, and planning activities in countries and territories outside the United States. The functions and funding of UWI are complimentary to, but not part of, UWA’s mission. During fiscal years 2008 and 2007 UWA did not provide any financial support to UWI. And UWI purchased services and parking from UWA, as available to other charitable organizations. Under terms of an annual contract, in 2008 and 2007 UWA leased office space to UWI at a monthly rent of approximately $6,000.
16. Commitments  Operating Leases

UWA has entered into operating lease arrangements for office space and office equipment. Office space rentals include leases for its regional offices and local storage in Alexandria, Virginia. The UWA lease for the Tri-State office space in New York City expires July 31, 2012. The space and the cost were shared on an allocable basis by eWay/Truist. An office lease on a second location that is no longer used by UWA due to the reorganization expires July 31, 2012. UWA has sublet this space to a third party through July 30, 2012, to recover approximately 60% of the total lease cost. Upon acquisition of Tri-State in 2006, the future liability related to the unused space was recognized. The present value of the future lease payments on the unused location, net of proceeds from the sublease, is approximately $453,000 and $554,000 as of December 31, 2008 and 2007, respectively, and is included in accrued expenses in the consolidating statements of financial position. Leased office equipment includes the telephone system and computer components. Rent expense for the years ended December 31, 2008 and 2007 was approximately $467,000 and $455,000, respectively.

In May 2009, the UW Store entered into a five-year operating lease for space in Alexandria, Virginia. The lease begins October 1, 2009 and expires September 30, 2014. Annual lease payments are $102,000 and increase three percent per year beginning on October 1st of each year.

The UW Store main office lease expires November 30, 2009. Rent expense for the years ended December 31, 2008 and 2007 was approximately $152,000 and $162,000, respectively.

Future minimum lease payments under the operating leases as of December 31, 2008, are as follows (in thousands):

<table>
<thead>
<tr>
<th></th>
<th>UWA</th>
<th>UW Store</th>
<th>Sublease Income</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>$ 1,102</td>
<td>$ 150</td>
<td>(201)</td>
<td>$ 1,051</td>
</tr>
<tr>
<td>2010</td>
<td>1,062</td>
<td>-</td>
<td>(206)</td>
<td>856</td>
</tr>
<tr>
<td>2011</td>
<td>891</td>
<td>-</td>
<td>(210)</td>
<td>681</td>
</tr>
<tr>
<td>2012</td>
<td>520</td>
<td>-</td>
<td>(125)</td>
<td>395</td>
</tr>
<tr>
<td>Total</td>
<td>$ 3,575</td>
<td>$ 150</td>
<td>(742)</td>
<td>$ 2,983</td>
</tr>
</tbody>
</table>
United Way of America and Subsidiaries

Notes to Consolidating Financial Statements

Undesignated Contributions

As previously described, Tri-State has commitments under the Tri-State formula to distribute undesignated contributions to local participating United Ways for the 2007/2008 campaign that are contingent upon finalization and approval of the formula calculation.

17. Donated Services and Materials

The Organization recognizes contribution revenue for certain donated services and materials received at the fair value of those items. The donations include advertising, software and other materials and amount to $27,000 and $775,000 for the years ended December 31, 2008 and 2007, respectively. These donations are reflected in UWA’s consolidating statements of activities.

In addition, UWA has maintained a mutually beneficial relationship with the National Football League (NFL) where UWA underwrites the cost to produce the Public Service Announcements (PSA) for broadcast during televised NFL games. The PSA’s promote volunteerism in local United Way communities and feature NFL players involved in various local United Way community volunteer activities. The NFL donates the airtime for the PSA’s to run during NFL games throughout the NFL season. UWA does not record this donation of the airtime as an in-kind gift because of UWA’s financial inability to purchase such advertising, were it not to be donated. The estimated value of the donated airtime is estimated to be $16,000,000 and $21,000,000 for the 2008/2009 and 2007/2008 NFL seasons, respectively.

An additional $1,300,000 in airtime was donated by various contributors to promote United Way initiatives and support United Way’s mission to improve lives by mobilizing the caring power of communities. Like the NFL PSA’s, UWA does not record this donation of airtime as an in-kind gift due to the lack of direct benefit to UWA from the ads.

18. Supplemental Disclosure of Cash Flows Information

<table>
<thead>
<tr>
<th>December 31,</th>
<th>2008</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash paid during the year for interest (in thousands)</td>
<td>$ 183</td>
<td>$ 342</td>
</tr>
<tr>
<td>Cash paid during the year for income taxes (in thousands)</td>
<td>$ 199</td>
<td>$ 16</td>
</tr>
</tbody>
</table>

UWA recognized non cash losses in the write off of its investment in eWay and the transaction to acquire a 49% interest in Truist as discussed in Note 8.
19. **Income Taxes**

UWA has received an exemption from the Internal Revenue Service (IRS) from Federal income taxes under Section 501(a), as an entity described in Section 501(c)(3) of the Internal Revenue Code. UWA is required to make the appropriate tax payments on any income considered unrelated to its exempt purpose.

UWA received approximately $326,000 and $310,000 in royalty income from UW Store for the years ended December 31, 2008 and 2007, respectively, and was required to file IRS Form 990-T. UWA incurred Federal and Virginia State income tax expense related to unrelated business income in the amount of $14,000 and $16,000 for the years ended December 31, 2008 and 2007, respectively. This tax expense is included in general and administrative expenses.

UW Store follows Statement of Financial Accounting Standards (SFAS) No. 109, *Accounting for Income Taxes*. This statement requires the recognition of deferred tax liabilities and deferred tax assets, net of applicable valuation allowances for certain temporary differences and net operating loss carry forwards.

The provision for income taxes includes federal and state income taxes and those deferred as a result of temporary differences in the recognition of income and expenses for financial accounting and income tax purposes. The provision for income taxes is included the following components at December 31 (in thousands):

<table>
<thead>
<tr>
<th>December 31,</th>
<th>2008</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current tax provision</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Federal</td>
<td>$ 51</td>
<td>$ 83</td>
</tr>
<tr>
<td>State</td>
<td>7</td>
<td>11</td>
</tr>
<tr>
<td><strong>Total current provision</strong></td>
<td>58</td>
<td>94</td>
</tr>
<tr>
<td><strong>Deferred tax provision:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Federal</td>
<td>6</td>
<td>(15)</td>
</tr>
<tr>
<td>State</td>
<td>1</td>
<td>(2)</td>
</tr>
<tr>
<td><strong>Total deferred provision</strong></td>
<td>7</td>
<td>(17)</td>
</tr>
<tr>
<td><strong>Total provision for income taxes</strong></td>
<td>$ 65</td>
<td>$ 77</td>
</tr>
</tbody>
</table>
Deferred income taxes result from timing differences in the recognition of revenues and expenses for tax return and financial reporting purposes. The sources of these differences and the tax effect of each at December 31 were as follows (in thousands):

<table>
<thead>
<tr>
<th>December 31</th>
<th>2008</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unfunded pension</td>
<td>$288</td>
<td>$218</td>
</tr>
<tr>
<td>Tax depreciation and amortization</td>
<td>10</td>
<td>18</td>
</tr>
<tr>
<td>Prepaid pension</td>
<td>(45)</td>
<td>(37)</td>
</tr>
<tr>
<td>Accounts receivable allowances</td>
<td>14</td>
<td>15</td>
</tr>
<tr>
<td>Other</td>
<td>29</td>
<td>22</td>
</tr>
</tbody>
</table>

| Net noncurrent deferred asset | $296 | $236 |

The UW Store tax provision varies from the U.S. statutory federal income tax rate as a result of state taxes.

20. Subsequent Events

On January 1, 2009, UWA made a loan to Truist Inc. for $250,000 with an interest rate of 2% per month with a maturity date of March 31, 2009 to fund cash flow needs. The note and interest was paid in full on April 3, 2009.

On August 24, 2009, UWA made a loan to Truist Inc. for $445,343 with an interest rate of Prime plus 4% per annum with a maturity date of August 31, 2010. The loan was part of the final negotiated settlement for the sale of eWay assets and the resulting 49% ownership interest in Truist Inc. by UWA.

On December 17, 2009, UWA made a loan to Truist Inc. for $162,040 with an interest rate of 8% per annum with a maturity date of December 16, 2011.

In December 2008, the Board of Directors of UWI approved a resolution to dissolve and transfer the assets of UWI to UWA. In June 2009, the UWI Board approved, and the UWA accepted, the transfer of all assets effective July 1, 2009.

On December 18, 2009, UWW agreed to a $6,000,000 construction loan to partially fund the renovation of its building in Alexandria, Virginia. The interest rate on the loan is LIBOR plus 2.5%. As of January 1, 2010 no amounts had been advanced on the loan. The maximum amount of outstanding principal on the loan cannot exceed the following amounts:
<table>
<thead>
<tr>
<th>Period</th>
<th>Outstanding Principal Maximum</th>
</tr>
</thead>
<tbody>
<tr>
<td>December 18, 2009 – April 29, 2011</td>
<td>$ 6,000,000</td>
</tr>
<tr>
<td>April 30, 2011 – April 29, 2012</td>
<td>$ 4,500,000</td>
</tr>
<tr>
<td>April 30, 2012 – April 29, 2013</td>
<td>$ 2,700,000</td>
</tr>
<tr>
<td>April 30, 2013 – April 29, 2014</td>
<td>$ 1,500,000</td>
</tr>
<tr>
<td>April 30, 2014 and thereafter</td>
<td>$ -</td>
</tr>
</tbody>
</table>
Supplemental Material
### United Way of America

**Schedule of Functional Expenses**

(in thousands)

**Year ended December 31, 2008**

<table>
<thead>
<tr>
<th></th>
<th>Investor Relations</th>
<th>Community Impact Leadership</th>
<th>Center for Community Leadership</th>
<th>Public Policy</th>
<th>Brand Leadership</th>
<th>Enterprise Services</th>
<th>Campaign and Public Relations</th>
<th>Total Program Services</th>
<th>General and Administrative</th>
<th>Fund Raising</th>
<th>Total Supporting Services</th>
<th>Total Expenses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries</td>
<td>$3,293</td>
<td>$3,689</td>
<td>$2,463</td>
<td>$570</td>
<td>$3,123</td>
<td>$452</td>
<td>$790</td>
<td>$14,380</td>
<td>$3,320</td>
<td>$510</td>
<td>$3,830</td>
<td>$18,210</td>
</tr>
<tr>
<td>Employee benefits and taxes</td>
<td>668</td>
<td>753</td>
<td>489</td>
<td>116</td>
<td>633</td>
<td>96</td>
<td>165</td>
<td>2,920</td>
<td>595</td>
<td>105</td>
<td>700</td>
<td>3,620</td>
</tr>
<tr>
<td>Professional fees and contract services</td>
<td>1,276</td>
<td>2,024</td>
<td>1,463</td>
<td>172</td>
<td>3,464</td>
<td>173</td>
<td>438</td>
<td>9,010</td>
<td>1,178</td>
<td>101</td>
<td>1,279</td>
<td>10,289</td>
</tr>
<tr>
<td>Conferences and travel</td>
<td>606</td>
<td>583</td>
<td>1,650</td>
<td>75</td>
<td>311</td>
<td>74</td>
<td>34</td>
<td>3,333</td>
<td>207</td>
<td>46</td>
<td>253</td>
<td>3,586</td>
</tr>
<tr>
<td>Subscriptions, dues, and staff development</td>
<td>28</td>
<td>26</td>
<td>33</td>
<td>25</td>
<td>105</td>
<td>3</td>
<td>-</td>
<td>220</td>
<td>144</td>
<td>5</td>
<td>149</td>
<td>369</td>
</tr>
<tr>
<td>Scholarships, grants, and awards</td>
<td>64</td>
<td>4,682</td>
<td>780</td>
<td>12</td>
<td>263</td>
<td>6</td>
<td>-</td>
<td>5,807</td>
<td>46</td>
<td>166</td>
<td>212</td>
<td>6,019</td>
</tr>
<tr>
<td>Supplies</td>
<td>61</td>
<td>86</td>
<td>79</td>
<td>13</td>
<td>182</td>
<td>9</td>
<td>9</td>
<td>439</td>
<td>171</td>
<td>16</td>
<td>187</td>
<td>626</td>
</tr>
<tr>
<td>Telephone</td>
<td>158</td>
<td>155</td>
<td>72</td>
<td>22</td>
<td>132</td>
<td>58</td>
<td>25</td>
<td>622</td>
<td>100</td>
<td>56</td>
<td>156</td>
<td>778</td>
</tr>
<tr>
<td>Postage and shipping</td>
<td>21</td>
<td>20</td>
<td>26</td>
<td>3</td>
<td>29</td>
<td>1</td>
<td>6</td>
<td>106</td>
<td>28</td>
<td>2</td>
<td>30</td>
<td>136</td>
</tr>
<tr>
<td>Occupancy</td>
<td>169</td>
<td>221</td>
<td>129</td>
<td>34</td>
<td>133</td>
<td>18</td>
<td>244</td>
<td>948</td>
<td>512</td>
<td>23</td>
<td>535</td>
<td>1,483</td>
</tr>
<tr>
<td>Other expenses</td>
<td>22</td>
<td>25</td>
<td>15</td>
<td>5</td>
<td>85</td>
<td>3</td>
<td>13</td>
<td>168</td>
<td>154</td>
<td>5</td>
<td>159</td>
<td>327</td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>143</td>
<td>200</td>
<td>113</td>
<td>31</td>
<td>118</td>
<td>15</td>
<td>47</td>
<td>667</td>
<td>154</td>
<td>20</td>
<td>174</td>
<td>841</td>
</tr>
</tbody>
</table>

**Total expenses**

| $6,509                          | $12,464            | $7,312                        | $1,078                       | $8,578          | $908             | $1,771                    | $38,620                    | $6,609     | $1,055                      | $7,664         | $46,284                   |

* Distributions are not included in Total Program Services or Total Expenses on this schedule.
## Schedule of Functional Expenses

### (in thousands)

#### United Way of America

**Year ended December 31, 2007**

<table>
<thead>
<tr>
<th></th>
<th>Program Services</th>
<th>Supporting Services</th>
<th>Total Expenses</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Investor Relations</strong></td>
<td><strong>Community</strong></td>
<td><strong>Center for</strong></td>
<td><strong>Total</strong></td>
</tr>
<tr>
<td></td>
<td><strong>Impact</strong></td>
<td><strong>Leadership</strong></td>
<td><strong>Program</strong></td>
</tr>
<tr>
<td></td>
<td><strong>Leadership</strong></td>
<td><strong>Community</strong></td>
<td><strong>Services</strong></td>
</tr>
<tr>
<td></td>
<td><strong>Policy</strong></td>
<td><strong>Public</strong></td>
<td><strong>Total</strong></td>
</tr>
<tr>
<td></td>
<td><strong>Leadership</strong></td>
<td><strong>Brand</strong></td>
<td><strong>Program</strong></td>
</tr>
<tr>
<td></td>
<td><strong>Services</strong></td>
<td><strong>Enterprise</strong></td>
<td><strong>Services</strong></td>
</tr>
<tr>
<td></td>
<td><strong>and Public</strong></td>
<td><strong>Campaign</strong></td>
<td><strong>Total</strong></td>
</tr>
<tr>
<td></td>
<td><strong>Relations</strong></td>
<td><strong>and Public</strong></td>
<td><strong>Program</strong></td>
</tr>
<tr>
<td></td>
<td><strong>Relations</strong></td>
<td><strong>Leadership</strong></td>
<td><strong>Services</strong></td>
</tr>
<tr>
<td>Salaries</td>
<td>$3,239</td>
<td>$2,743</td>
<td>$14,422</td>
</tr>
<tr>
<td>Employee benefits and taxes</td>
<td>738</td>
<td>611</td>
<td>2,860</td>
</tr>
<tr>
<td>Professional fees and contract services</td>
<td>1,123</td>
<td>1,726</td>
<td>3,248</td>
</tr>
<tr>
<td>Conferences and travel</td>
<td>745</td>
<td>334</td>
<td>3,503</td>
</tr>
<tr>
<td>Subscriptions, dues, and staff development</td>
<td>33</td>
<td>16</td>
<td>1,174</td>
</tr>
<tr>
<td>Scholarships, grants, and awards</td>
<td>12</td>
<td>457</td>
<td>5,835</td>
</tr>
<tr>
<td>Supplies</td>
<td>113</td>
<td>80</td>
<td>973</td>
</tr>
<tr>
<td>Telephone</td>
<td>140</td>
<td>90</td>
<td>94</td>
</tr>
<tr>
<td>Postage and shipping</td>
<td>26</td>
<td>15</td>
<td>106</td>
</tr>
<tr>
<td>Occupancy</td>
<td>210</td>
<td>190</td>
<td>1,182</td>
</tr>
<tr>
<td>Other expenses</td>
<td>6</td>
<td>135</td>
<td>1,078</td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>148</td>
<td>135</td>
<td>6,515</td>
</tr>
</tbody>
</table>

Distributions are not included in Total Program Services or Total Expenses on this schedule.

Total expenses: $6,533 $6,532 $6,293 $8,362 $1,533 $1,493 $40,620 $5,982 $533 $6,515 $47,135

* Units of measurement are not specified in the table. Each row should be read as a single entity. For instance, the first row states that the Salaries for the Program Services are $3,239, while the Investor Relations have $2,743. This pattern continues for the rest of the table.*