United Way Worldwide and Subsidiaries

Consolidated Financial Statements
Years Ended December 31, 2009 and 2008

The report accompanying these financial statements was issued by
BDO USA, LLP, a New York limited liability partnership and the U.S. member of
BDO International Limited, a UK company limited by guarantee.

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and Subsidiaries

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Years Ended December 31, 2009 and 2008

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BDO

Tel: 301-654-4900
Fax: 301-654-3567
www.bdo.com

7101 Wisconsin Avenue, Suite 800
Bethesda, MD 20814-4827

Independent Auditors' Report

To the Board of Trustees
United Way Worldwide and Subsidiaries
Alexandria, Virginia

We have audited the accompanying consolidated statements of financial position of **United Way Worldwide and Subsidiaries** (collectively "the Organization") as of December 31, 2009 and 2008, and the related consolidated statements of activities, cash flows and functional expenses for the years then ended. These consolidated financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We did not audit the financial statements of one subsidiary for 2008, which statements reflect total assets of $16,913,705 as of December 31, 2008 and total revenues of $34,800,602 for the year then ended. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for such subsidiary, is based solely on the report of the other auditors.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated 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 consolidated 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 audits and the report of other auditors for 2008 provide a reasonable basis for our opinion.

In our opinion, based on our audits and the report of other auditors for 2008, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of **United Way Worldwide and Subsidiaries** as of December 31, 2009 and 2008, and the changes in their net assets and their cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

BDO USA, LLP

September 1, 2010

United Way Worldwide and Subsidiaries
Consolidated Statements of Financial Position
December 31, 2009 and 2008
(In Thousands)

	2009	2008
Assets		
Current assets:		
Cash and cash equivalents	$ 34,228	$ 30,526
Short-term investments	1,606	8,238
Custodial funds	15,337	40,982
Local United Way receivables, net	2,352	805
Campaign receivables		
Amounts raised on behalf of others	11,573	17,758
Unrestricted campaign receivables	10,763	7,373
Contributions receivable, net	5,969	1,659
Accounts receivable, net	1,744	1,601
Inventory, net	405	775
Notes receivable, net	445	-
Income tax receivable	249	-
Deferred income tax	4	3
Prepaid expenses and other current assets	651	313
Due from participating local United Ways	460	387
Due from affiliates	138	662
Total current assets	85,924	111,082
Noncurrent assets:		
Custodial funds	1,646	1,648
Notes receivable, net	162	-
Investments	1,035	527
Land, building, equipment, and leasehold improvements, net	10,705	8,682
Contributions receivable, net	1,438	1,613
Investment in Truist	-	2,942
Deferred income tax	278	298
Other noncurrent assets	607	554
Total noncurrent assets	15,871	16,264
Total assets	$ 101,795	$ 127,346

See accompanying summary of significant accounting policies and notes to consolidated financial statements.

United Way Worldwide and Subsidiaries
Consolidated Statements of Financial Position
December 31, 2009 and 2008
(In Thousands)

	2009	2008
Liabilities and net assets		
Current liabilities:		
Accounts payable and accrued liabilities	$ 6,734	$ 4,673
Distributions payable to local United Ways	2,100	2,365
Contributions payable	-	1,094
Amounts raised on behalf of others	20,520	26,673
Advances on grants not awarded	1,171	187
Custodial funds	4,333	31,818
Current portion, liability for pension benefits	712	1,000
Current portion, postretirement benefits	181	193
Current portion of long term debt	1,250	1,172
Deferred revenue	3,499	2,732
Due to affiliates	437	98
Other current liabilities	39	41
Total current liabilities	40,976	72,046
Noncurrent liabilities:		
Custodial liability	1,646	1,648
Liability for pension benefit, net of current portion	10,383	10,694
Postretirement benefits, net of current portion	2,090	2,205
Long term debt, net of current portion	519	1,769
Deferred tax liability	-	5
Other noncurrent liabilities	812	1,073
Total noncurrent liabilities	15,450	17,394
Total liabilities	56,426	89,440
Commitments and contingencies		
Net assets:		
Unrestricted	18,810	16,981
Unrestricted - Board Designated	485	409
Temporarily restricted	26,074	20,516
Total net assets	45,369	37,906
Total liabilities and net assets	$ 101,795	$ 127,346

See accompanying summary of significant accounting policies and notes to consolidated financial statements.

2009

	Unrestricted	Temporarily Restricted	Total
Revenues			
Public support:			
Membership support, net	$ 29,202	$ -	$ 29,202
Campaign efforts of Tri-State	-	53,525	53,525
Less: gross amounts raised on behalf of others	-	(40,588)	(40,588)
Less: allowance for uncollectible pledges	-	(1,690)	(1,690)
Additional revenue from prior year campaigns	2,322	-	2,322
Contributions	28,723	23,199	51,922
Total public support	**60,247**	**34,446**	**94,693**
Other revenue:			
Promotional material sales	3,764	-	3,764
Program service fees	862	210	1,072
Investment income	335	7	342
Conferences	1,816	-	1,816
Miscellaneous and other	671	-	671
Total other revenue	**7,448**	**217**	**7,665**
Net assets released from restrictions	29,105	(29,105)	-
Total revenues	**96,800**	**5,558**	**102,358**
Expenses			
Program services:			
Investor Relations	39,010	-	39,010
Community Impact Leadership & Learning	20,794	-	20,794
Public Policy	1,056	-	1,056
Brand Leadership	8,195	-	8,195
Campaign and Public Relations	8,711	-	8,711
UW Store	2,880	-	2,880
Total program services	**80,646**	**-**	**80,646**
Supporting services:			
General and administrative	8,827	-	8,827
Fund-raising	1,003	-	1,003
Total supporting services	**9,830**	**-**	**9,830**
Total expenses	**90,476**	**-**	**90,476**
Changes in net assets before non-operating items	6,324	5,558	11,882
Non-operating items			
Loss from write off of investment in Truist	(4,109)	-	(4,109)
UWA funding per Asset Purchase Agreement	-	-	-
Change in tax liability	9	-	9
Pension-related changes other than net periodic pension cost	(319)	-	(319)
eWay gain resulting from Truist transaction	-	-	-
Changes in net assets	**1,905**	**5,558**	**7,463**
Net assets, beginning of year	**17,390**	**20,516**	**37,906**
Net assets, end of year	**$ 19,295**	**$ 26,074**	**$ 45,369**

United Way Worldwide and Subsidiaries
Consolidated Statements of Activities
Years Ended December 31, 2009 and 2008
(In Thousands)

2008

	Unrestricted	Temporarily Restricted	Total
Revenues			
Public support:			
Membership support, net	$ 29,900	$ -	$ 29,900
Campaign efforts of Tri-State	-	59,100	59,100
Less: gross amounts raised on behalf of others	-	(44,157)	(44,157)
Less: allowance for uncollectible pledges	5,298	(1,953)	3,345
Additional revenue from prior year campaigns	2,456	-	2,456
Contributions	27,576	10,441	38,017
Total public support	**65,230**	**23,431**	**88,661**
Other revenue:			
Promotional material sales	5,968	-	5,968
Program service fees	1,281	231	1,512
Investment income	1,839	12	1,851
Conferences	2,810	-	2,810
Loss from investment in Truist	(250)	-	(250)
Miscellaneous and other	1,535	16	1,551
Total other revenue	**13,183**	**259**	**13,442**
Net assets released from restrictions	32,279	(32,279)	-
Total revenues	**110,692**	**(8,589)**	**102,103**
Expenses			
Program services:			
Investor Relations	44,458	-	44,458
Community Impact Leadership & Learning	19,867	-	19,867
Public Policy	1,078	-	1,078
Brand Leadership	8,478	-	8,478
Campaign and Public Relations	12,864	-	12,864
UW Store	4,096	-	4,096
Total program services	**90,841**	**-**	**90,841**
Supporting services:			
General and administrative	12,517	-	12,517
Fund-raising	1,055	-	1,055
Total supporting services	**13,572**	**-**	**13,572**
Total expenses	**104,413**	**-**	**104,413**
Changes in net assets before non-operating items	6,279	(8,589)	(2,310)
Non-operating items			
Loss from write off of investment in Truist			
UWA funding per Asset Purchase Agreement	(375)	-	(375)
Change in tax liability	65	-	65
Pension-related changes other than net periodic pension cost	(4,864)	-	(4,864)
eWay gain resulting from Truist transaction	2,950	-	2,950
Changes in net assets	**4,055**	**(8,589)**	**(4,534)**
Net assets, beginning of year	**13,335**	**29,105**	42,440
Net assets, end of year	**$ 17,390**	**$ 20,516**	**$ 37,906**

See accompanying summary of significant accounting policies and notes to consolidated financial statements.

United Way Worldwide and Subsidiaries
Consolidated Statements of Cash Flows
Years Ended December 31, 2009 and 2008
(In Thousands)

		2009		2008
Cash flows from operating activities				
Changes in net assets	$	7,463	$	(4,534)
Adjustments to reconcile changes in net assets to				
net cash flows provided by (used in) operating activities:				
Depreciation and amortization		977		1,009
Provision for allowance for doubtful accounts		(1,750)		(777)
Bad debt expense		297		11
Provision for allowance for inventory		(40)		-
Inventory write-off		99		75
Loss on sale of subsidiary		-		7,356
Loss on write-off of investment in Truist		4,109		-
Realized and unrealized loss (gain) on investments		11		(56)
Changes in assets and liabilities:				
Custodial funds		(1,841)		(1,111)
Local United Way receivables		(1,546)		630
Amounts raised on behalf of others		32		(906)
Campaign receivables		(1,930)		285
Contributions receivable		(4,180)		3,053
Accounts receivable		(105)		3,082
Inventory		311		(242)
Deferred income tax asset		(231)		(60)
Prepaid expenses and other current assets		(336)		60
Due from participating local United Ways		(74)		(51)
Due from affiliates		524		(662)
Other noncurrent assets		(51)		(53)
Accounts payable and accrued liabilities		2,062		(1,122)
Distributions payable to local United Ways		(265)		(455)
Contributions payable		(1,094)		263
Accrued reorganization expense		-		(187)
Advances on grants not awarded		984		124
Deferred revenue		766		(516)
Due to affiliates		338		98
Liability for pension benefits		(887)		4,095
Postretirement benefits		161		10
Deferred tax liability		(5)		-
Other liabilities		(262)		(49)
Net cash flows provided by operating activities		**3,537**		**9,370**
Cash flows from investing activities				
Purchase of building & equipment		(3,001)		(2,330)
Purchase of intangible property		-		(250)
Proceeds from sale of investments		9,190		8,729
Purchase of investments		(3,078)		(8,736)
Issuance of notes receivable		(857)		-
Proceeds from repayment of note receivable		250		-
Investment in Truist		(614)		(10,298)
Net cash flows provided by (used in) investing activities		**1,890**		**(12,885)**
Cash flows from financing activities				
Repayment of debt		(1,172)		(973)
Forgiveness of debt		(553)		-
Net cash flows used in financing activities		**(1,725)**		**(973)**
Net increase (decrease) in cash and cash equivalents		**3,702**		**(4,488)**
Cash and cash equivalents:				
Beginning of year		30,526		35,014
End of year	**$**	**34,228**	**$**	**30,526**

See accompanying summary of significant accounting policies and notes to consolidated financial statements.

United Way Worldwide and Subsidiaries
Consolidated Statement of Functional Expenses
Year Ended December 31, 2009
(In Thousands)

	Program Services							Supporting Services			
	Investors Relations	Community Impact Leadership & Learning	Public Policy	Brand Leadership	Campaign and Public Relations	UW Store	Total Program Services	General and Administrative	Fund-Raising	Total Supporting Services	Total Expenses
Salaries	$ 5,485	$ 6,398	$ 626	$ 3,424	$ 716	$ 578	$ 17,227	$ 3,984	$ 650	$ 4,634	$ 21,861
Employee benefits and taxes	1,327	1,509	151	833	141	188	4,149	914	146	1,060	5,209
Professional fees and contract services	1,422	4,673	93	2,959	529	140	9,816	2,300	81	2,381	12,197
Conferences and travel	791	1,518	45	296	32	29	2,711	198	49	247	2,958
Subscriptions, dues, and staff development	54	44	24	21	-	-	143	86	2	88	231
Scholarships, grants, and awards	28,632	5,613	2	119	6,835	-	41,201	243	3	246	41,447
Supplies	105	109	19	93	8	13	347	131	13	144	491
Telephone	295	228	24	107	58	19	731	90	13	103	834
Postage and shipping	34	45	8	18	4	30	139	38	3	41	180
Occupancy	191	201	22	95	324	-	833	545	15	560	1,393
Cost of goods sold	-	-	-	-	-	1,883	1,883	-	-	-	1,883
Depreciation and amortization	269	279	30	132	55	-	765	192	20	212	977
Income taxes	-	-	-	-	-	-	-	(273)	-	(273)	(273)
Other expenses	405	177	12	98	9	-	701	379	8	387	1,088
Total expenses	$ 39,010	$ 20,794	$ 1,056	$ 8,195	$ 8,711	$ 2,880	$ 80,646	$ 8,827	$ 1,003	$ 9,830	$ 90,476

See accompanying summary of significant accounting policies and notes to consolidated financial statements.

United Way Worldwide and Subsidiaries
Consolidated Statement of Functional Expenses
Year Ended December 31, 2008
(In Thousands)

	Program Services							Supporting Services			
	Investors Relations	Community Impact Leadership & Learning	Public Policy	Brand Leadership	Campaign and Public Relations	UW Store	Total Program Services	General and Administrative	Fund-Raising	Total Supporting Services	Total Expenses
Salaries	$ 4,619	$ 6,222	$ 570	$ 3,123	$ 789	$ 692	$ 16,015	$ 5,929	$ 510	$ 6,439	$ 22,454
Employee benefits and taxes	964	1,257	116	633	165	181	3,316	1,107	105	1,212	4,528
Professional fees and contract services	1,491	3,498	172	3,464	438	216	9,279	2,613	101	2,714	11,993
Conferences and travel	1,027	2,256	75	311	34	54	3,757	548	46	594	4,351
Subscriptions, dues, and staff development	46	60	25	105	1	-	237	158	5	163	400
Scholarships, grants, and awards	35,447	5,476	12	263	11,093	-	52,291	97	166	263	52,554
Supplies	108	105	13	82	9	29	346	192	16	208	554
Telephone	217	230	22	132	25	22	648	230	56	286	934
Postage and shipping	24	46	3	29	6	54	162	48	2	50	212
Occupancy	156	354	34	133	244	-	921	936	23	959	1,880
Cost of goods sold	-	-	-	-	-	2,848	2,848	-		-	2,848
Depreciation and amortization	245	318	31	118	47	-	759	217	20	237	996
Income taxes	-	-	-	-	-	-	-	65	-	65	65
Other expenses	114	45	5	85	13	-	262	377	5	382	644
Total expenses	$ 44,458	$ 19,867	$ 1,078	$ 8,478	$ 12,864	$ 4,096	$ 90,841	$ 12,517	$ 1,055	$ 13,572	$ 104,413

See accompanying summary of significant accounting policies and notes to consolidated financial statements.

Summary of Significant Accounting Policies

Organization

United Way Worldwide (UWW) is an international organization supported primarily by local United Ways (LUWs) through membership dues. UWW serves the United Way movement by being a leader in philanthropy and a mobilizer of resources, helping to shape the world's health and human services agenda and create a better quality of life for all. UWW's mission is to improve lives by mobilizing the caring power of communities around the world to advance the common good. In 2009, United Way of America changed its name to United Way Worldwide and merged with United Way International (see Note 1).

UWW'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 UWW. UW Store's purpose is to provide sales fulfillment services to local United Ways, UWW, and other organizations. Sales to UWW and local United Ways accounted for approximately 72% and 68% of UW Store's sales for 2009 and 2008, 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 UWW. 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 UWW. As part of the transaction in 2008, UWW wrote off its investment in eWay and recorded a loss, net of the value of the Truist stock received. During 2009, the Organization determined that the investment in Truist was impaired and wrote the investment down to $0.

Consolidation Policy

The consolidated financial statements include the accounts of UWW, UW Store and eWay (collectively referred to as "the Organization"). Significant transactions between the companies, including all intercompany balances, have been eliminated in consolidation. The investment in Truist Inc., a 49% owned affiliate, is accounted for on the equity method.

Summary of Significant Accounting Policies

Financial Accounting Standards Board (FASB) Codification	The FASB issued Accounting Standards Codification (ASC) Topic 105, *Generally Accepted Accounting Principles,* which became the single source of authoritative nongovernmental U.S. generally accepted accounting principles (GAAP) recognized by FASB. The codification is effective for interim or annual financial periods ending after September 15, 2009. The accompanying financial statements of the Organization include references to the codification.
Basis of Accounting	The financial statements of the Organization have been prepared on the accrual basis of accounting.
Cash and Cash Equivalents	Cash and cash equivalents are liquid investments with original maturities at the date of purchase of three months or less and consist primarily of money market funds.
Custodial Funds-UWW	Since 1983, Congress has allocated $3.4 billion 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. UWW was appointed fiscal agent for the EF&S program. In addition to UWW, 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, UWW is the custodian of the funds and is responsible for the administration and disbursement of grants as directed by the national board. UWW charged certain administrative expenses to EF&S totaling $182,000 and $175,000 for the years ended December 31, 2009 and 2008, respectively. In 2009 and 2008 approximately $296,139,000 and $153,000,000, respectively, were distributed in the form of grants to other charitable organizations. As of December 31, 2009 and 2008, undistributed balances of $3,213,000 and $3,693,000, respectively, were included in custodial funds, with a corresponding liability in the accompanying consolidated statements of financial position. As of December 31, 2009 and 2008, UWW’s custodial funds totaled approximately $16,983,000 and $42,630,000, respectively. This total as of December 31, 2009 and 2008 included approximately $11,004,000 and $9,164,000, respectively, designated for amounts raised on behalf of others and $1,120,000 and $28,000,000, 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.

UWW acts as trustee for certain planned giving investments. Annuity payments are made to the donor, and any residual restricted by the donor benefits LUWs. For the periods ended December 31, 2009 and 2008, approximately $1,646,000 and $1,648,000, respectively, of such annuities are included as noncurrent custodial assets and noncurrent 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 UWW Board of Trustees. The 2008/2009 campaign distribution is reflected in the consolidated statements of activities as distributions to participating local United Ways. 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 include the balance of undesignated funds from the 2008/2009 campaign yet to be paid.

Local United Way Receivables

Local United Way (LUW) receivable consist of amounts due from LUW's for the use of the name and service marks owned by UWW, registration fees for conferences and other miscellaneous charges. An allowance for uncollectible local United Way receivables is provided based on management's judgment, including such factors as prior collection history.

Campaign Receivables

Campaign receivables consist of amounts due from companies and employees for charitable giving campaigns facilitated by the Tri-State regional office. 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 consolidated 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 receivable consist of unconditional promises to give and are recorded in the year the promise is made. 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 interest rate used in computing the discount of the estimated future cash flows was 0.36% for pledges received in 2009 and 2008. The discount will be recognized as contributions and gifts income in fiscal years 2011 through 2012 as the discount is amortized using an effective yield over the duration of the contributions. An allowance for uncollectible contributions receivable is provided based on management's judgment, including such factors as prior collection history, type of contribution, and nature of fund-raising activity.

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. An allowance for uncollectible accounts receivable is provided based on management's judgment, including such factors as prior collection history.

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 $99,000 and $75,000 of obsolete inventory for the years ended 2009 and 2008, respectively, and had an allowance of approximately $9,000 and $49,000 at December 31, 2009 and 2008, respectively.

Investments

Investments are reported at fair value based on quoted market prices. Investments classified as short-term are available for operations in the next fiscal year. Unrealized and realized gains and losses are included in the accompanying consolidated statements of activities. Investment earnings are reported net of related expenses, such as custodial, commission, and investment advisory fees.

Fair Value Measurement

The Organization adopted FASB ASC Topic 820, *Fair Value Measurements and Disclosures* (previously known as SFAS No. 157, *Fair Value Measurements*) on January 1, 2008. The adoption did not impact the amounts reported in the consolidated 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 accompanying consolidated statements of activities as described in Note 5.

Summary of Significant Accounting Policies

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:

	UWW	UW Store
Building	35 years	N/A
Furniture, equipment, and software	3-5 years	3-7 years
Leasehold improvements, and/or building improvements, and capital leases	5-15 years	The lesser of the term of the lease or the life of the asset
Capitalization threshold	$ 2,500	$ 1,000

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.

Noncurrent Assets

Other noncurrent assets consist of a trademark, which was initially measured based on its fair value. UWW 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 UWW 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. Also included in noncurrent assets are the plan assets of UWW's deferred compensation plan, which are stated at fair market value.

Impairment of Long-Lived Assets

Management reviews asset carrying amounts whenever events or circumstances indicate that such carrying amounts may not be recoverable. When considered impaired, the carrying amount of the asset is reduced, by a charge to the consolidated statements of activities, to its current fair value.

Summary of Significant Accounting Policies

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.

Other Noncurrent Liabilities

Other noncurrent liabilities consist of deferred rent, accrued reorganization costs, and deferred compensation.

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.

The International Donor Advised Giving (IDAG) program is a component of unrestricted net assets and was established by the Board of Trustees. Companies, foundations and individuals contribute to IDAG to achieve their philanthropic goals outside of the United States. IDAG provides comprehensive grant-making services to ensure compliance with both US and international laws and UWW retains variance power of all contributions to IDAG.

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 received 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 consolidated statements of activities as net assets released from restrictions.

Revenue Recognition

UWW 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 UWW, during the period of membership. Membership support calculations are based on a formula driven process. If any LUW does not remit its annual membership support, the LUW'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 LUW, at which time the related training revenue is recognized. As of December 31, 2009 and 2008, the amount of the deferred training credit was approximately $3,499,000 and $2,734,000, respectively.

UWW Contributions Revenue

UWW 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, 2009 and 2008, UWW had received conditional promises to give totaling approximately $5,800,000 and $10,000,000, respectively.

Temporarily restricted campaign efforts, as shown in the consolidated statements of activities, reflects the portion of two different campaign years processed through Tri-State that were both partially recognized in 2009. The 2008/2009 campaign consists of donations pledged primarily in 2008 by the companies and employees which were distributed during 2009. 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 2008. The remaining promises to give for the 2008/2009 campaign were recorded in 2009 as supporting documentation became available. Similarly, for the 2009/2010 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, 2009.

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 consolidated financial statements they are deducted prior to reporting net distributable contributions. Amounts paid directly are contributions raised in the Tri-State region as part of the Tri-State's annual campaign.

In 2009 and 2008, unrestricted revenue includes income of approximately $2,322,000 and $7,800,000, respectively, recorded as additional revenue from prior year campaigns and a change to the allowance for uncollectible pledges. The amounts are gains realized from better than anticipated pledge collections and over accrual of amounts raised on behalf of others liability for the 2007/2008 and 2006/2007 Tri-State campaigns, which were closed out during 2009 and 2008, respectively. Included within the net assets released from restrictions in 2009 and 2008 are the total Tri-State 2008/2009 and 2007/2008 campaign efforts, respectively, as well as amounts raised on behalf of others and the change in allowance for uncollectible pledges.

eWay Campaign Revenue

United eWay's revenues are recorded in the 2008 consolidated statements of activities. Campaign revenue consists of the following: wholesale and retail campaign management, legacy processing and distribution, basic distribution, volunteer suite, and conference revenue. Service fee revenues, included in miscellaneous and other revenue 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 campaign management fees are deferred and recognized as revenue on a straight-line basis over the campaign period. 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.

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.

Functional Allocation of Expenses

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

Summary of Significant Accounting Policies

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 consolidated 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 consolidated 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.
Financial Instruments and Credit Risk	Financial instruments which potentially subject the Organization to concentrations of credit risk consist principally of cash and cash equivalents, custodial funds and investments held at creditworthy financial institutions. These balances are kept within certain limits to prevent risk caused by concentration. There is also limited credit risk associated with LUW, campaign, contributions and accounts receivable.
Reclassifications	Certain accounts in the 2008 financial statements have been reclassified to conform with the current year financial statement presentation.

1. Merger

On July 1, 2009, United Way of America (UWA) changed its name to United Way Worldwide (UWW) and merged with United Way International (UWI). The merger was accounted for using the pooling of interests method of accounting for business combinations.

UWA's purpose was to be an exemplary leader in philanthropy and an outstanding mobilizer of resources, helping to shape the United States' health and human services agenda and create a better quality of life for all. UWI's purpose was to promote voluntary charitable services through united fundraising, fund allocation, leadership and planning activities in countries and territories outside the United States. UWW serves the United Way movement by being an exemplary leader in philanthropy and an outstanding mobilizer of resources, helping to shape the World's health and human services agenda and create a better life for all.

Summarized financial results for UWA and UWI for the six month period ending June 30, 2009 were:

	UWA	UWI
Revenue	$ 40,908,000	$ 8,881,000
Change in net assets	$ 4,227,000	$ (2,438,000)

Summarized financial information reported by UWA and UWI for the year end ended December 31, 2008 was:

	UWA	UWI
Financial position:		
Current assets	$ 95,472,000	$ 15,570,000
Current liabilities	(70,925,000)	(1,533,000)
Working capital	24,547,000	14,037,000
Noncurrent assets	14,960,000	1,344,000
Noncurrent liabilities	(16,982,000)	-
Net Assets	$ 22,525,000	$ 15,381,000
Results of operations:		
Total revenues	$ 72,914,000	$ 29,261,000
Total expenses	$ (65,834,000)	$ (38,651,000)
Non-operating items	$ (2,224,000)	$ -
Change in net assets	$ 4,856,000	$ (9,390,000)

2. Uninsured Cash

The Organization maintains its cash balances at several financial institutions which, at times, may exceed federally insured limits. The Organization has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on its cash and cash equivalents.

3. Investments

Investments, at fair value, consist of the following at:

December 31,	**2009**	2008
Money market funds	**$ 1,410,000**	$ 409,000
U.S. Treasury notes	**13,000**	-
U.S. Government agency notes	**88,000**	-
Corporate notes	**1,130,000**	-
Certificates of deposit	-	8,237,000
U.S. Government bonds	-	118,000
Equity securities	-	1,000
	2,641,000	8,765,000
Less: short-term investments	**1,606,000**	8,238,000
	$ 1,035,000	$ 527,000

Interest income for the years ended December 31, 2009 and 2008 was $353,000 and $1,795,000, respectively. The realized and unrealized (loss) gain for the years ended December 31, 2009 and 2008 was ($11,000) and $56,000, respectively.

4. Custodial Funds

Custodial funds, at fair value, consist of the following at:

December 31,	**2009**	2008
Cash and cash equivalents	**$ 15,372,000**	$ 41,001,000
Mutual funds	**522,000**	-
U.S. Treasury notes	**304,000**	374,000
U.S. Government agency notes	**285,000**	147,000
Corporate notes	**433,000**	547,000
Common collective trusts	**67,000**	561,000
	16,983,000	42,630,000
Less: short-term investments	**15,337,000**	40,982,000
	$ 1,646,000	$ 1,648,000

5. Fair Value

As indicated in the summary of significant accounting policies, the Organization adopted FASB ASC Topic 820 on January 1, 2008. There were no financial instruments for which a retrospective application of fair value measurement was required. Therefore, the effect of adopting the provisions of FASB ASC Topic 820 is prospective from the beginning of 2008.

The following methods and assumptions were used by the Organization in estimating the fair value of other financial instruments, which consist of investments and custodial funds. As defined in FASB ASC Topic 820, fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (exit price). The Organization utilizes market data or assumptions that market participants would use in pricing the asset or liability, including assumptions about risk and the risks inherent in the inputs to the valuation technique. These inputs can be readily observable, market corroborated, or generally unobservable. The Organization primarily applies the market approach for recurring fair value measurements and endeavors to utilize the best available information.

FASB ASC Topic 820 establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value and maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the observable inputs be used when available.

The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to measurements involving significant unobservable inputs (Level 3 measurements). The three levels of fair value hierarchy are as follows:

Level 1 Inputs: Valuation based on quoted prices in active markets for identical assets or liabilities that a reporting entity has the ability to access at the measurement date, and where transactions occur with sufficient frequency and volume to provide pricing information on an ongoing basis.

Level 2 Inputs: Valuation based on inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. Inputs include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, that is markets in which there are few transactions, prices are not current, or prices vary substantially over time.

Level 3 Inputs: Valuation based on inputs that are unobservable for an asset or liability and shall be used to measure fair value to the extent that observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at the measurement date.

All investments (see Note 3) and all custodial funds (see Note 4) qualified as Level 1 investments under the FASB ASC Topic 820 hierarchy, except for the common trust funds included as part of the noncurrent custodial funds, which qualified as Level 2 investments. The value of common collective trust funds, amounting to $67,000 and $561,000 as of December 31, 2009 and 2008, respectively, is based upon the market values of underlying investments.

The fair market value of a financial instrument is defined in FASB ASC Topic 825, *Financial Instruments* (previously known as SFAS No. 107, *Disclosures about Fair Value of Financial Instruments*) as "the amount at which the instrument could be exchanged in a current transaction between willing parties." The carrying amounts reported in the accompanying consolidated statements of financial position for local United Way receivables, campaign receivables, contributions receivable, accounts receivable, notes receivable and debt, approximate fair value given the short-term nature of the financial instruments or conversely based a non-recurring assessment of fair value.

6. Local United Way Receivables

Local United Way receivables consist of the following as of December 31, 2009 and 2008, respectively:

	2009	2008
Local United Way receivables	**$ 2,375,000**	$ 829,000
Allowance for doubtful accounts	**(23,000)**	(24,000)
Local United Way receivables, net	**$ 2,352,000**	$ 805,000

Bad debt expense is determined based on specific identification. There was no bad debt expense for the years ended December 31, 2009 and 2008 related to local United Way receivables.

7. Campaign Receivables

Campaign receivables and allowance for uncollectible pledges consist of the following at December 31, 2009 and 2008, respectively:

	2009	2008
Amounts raised on behalf of others	**$ 11,573,000**	$ 17,758,000
Unrestricted campaign receivables	**10,763,000**	7,373,000
Total campaign receivables	**$ 22,336,000**	$ 25,131,000

	2009	2008
Campaign receivables, gross	**$ 27,899,000**	$ 32,154,000
Allowance for uncollectible pledges	**(5,563,000)**	(7,023,000)
Campaign receivables, net	**$ 22,336,000**	$ 25,131,000

8. Contributions Receivable

Contributions receivable consist of the following unconditional promises to give at December 31, 2009 and 2008, respectively:

	2009	2008
Amounts due in:		
Less than one year	**$ 6,181,000**	$ 2,750,000
One to five years	**1,478,000**	537,000
Total contributions receivable	**7,659,000**	3,287,000
Less: allowance for doubtful accounts	**(252,000)**	-
Less: unamortized discount	**-**	(15,000)
Less: contribution receivable current	**5,969,000**	1,659,000
Contribution receivable-noncurrent	**$ 1,438,000**	$ 1,613,000

Bad debt expense totaled $297,000 and $0 for the years ended December 31, 2009 and 2008, respectively.

9. Accounts Receivable

Accounts receivable consist of the following at December 31:

	2009	2008
Accounts receivable	**$ 1,782,000**	$ 1,641,000
Allowance for doubtful accounts	**(38,000)**	(40,000)
Total	**$ 1,744,000**	$ 1,601,000

Bad debt expense related to accounts receivable totaled approximately $0 and $11,000 for the years ended December 31, 2009 and 2008, respectively.

10. Notes Receivable

On January 1, 2009, UWW 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, UWW made a loan to Truist Inc. for $445,343 with an interest rate of prime plus 4% per annum with a maturity date of September 30, 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 UWW.

On December 17, 2009, UWW 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.

11. Land, Building, Equipment, and Leasehold Improvements

Land, building, equipment, and leasehold improvements at December 31 2009 and 2008 were:

	2009	2008
Land	**$ 2,102,000**	$ 2,102,000
Building and building improvements	**13,678,000**	13,683,000
Construction in progress	**3,405,000**	635,000
Leasehold improvements	**817,000**	851,000
Furniture, equipment, and software	**8,930,000**	9,525,000
Less: accumulated depreciation and amortization	**(18,227,000)**	(18,114,000)
	$ 10,705,000	$ 8,682,000

Depreciation and amortization expense totaled approximately $977,000 and $1,009,000 for the years ended December 31, 2009 and 2008, respectively.

Construction in progress is related to the construction of the new Mary Gates Learning Center. Costs associated with construction in progress are not being depreciated until the new building is placed in service.

12. Investment in Truist

Truist is an affiliated company owned 49% by UWW which is accounted for on the equity method of accounting. UWW's investment in Truist as of December 31, 2008 was $2,942,000. Summarized financial information reported by Truist for the year ended December 31, 2008 includes current assets of $5,106,000, current liabilities of $4,152,000, and working capital of $954,000. Noncurrent assets and noncurrent liabilities totaled $2,714,000 and $27,000 as of December 31, 2008. For the year ended December 31, 2008, Truist had operating revenue of $8,080,000, a loss from operations of $693,000 and a net loss of $1,027,000.

During 2009, UWW forgave $600,000 of debt from Truist and provided additional funding to Truist, net of expenses of $567,000. UWW recorded its share of Truist's net loss of $1,654,000 in 2009.

UWW management is unsure of Truist's ability to operate as a going concern through the end of 2010 and has written its investment in Truist of $2,455,000 down to $0 as of December 31, 2009. The total loss from Truist recognized in 2009 was $4,109,000.

13. Debt

In September 2009, UWW's line-of-credit was amended and renewed. The expiration date on the line-of-credit was extended until October 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%. There were no borrowings under the line-of-credit as of December 31, 2009. UWW incurred no interest expense for the year ended December 31, 2009.

UW Store has a $250,000 line-of-credit agreement. The interest rate on the line-of-credit is prime plus 1%, payable monthly. The line-of-credit expires on October 31, 2010. 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, 2009 and 2008, respectively. UW Store incurred no interest expense for the years ended December 31, 2009 and 2008.

In 2008, UWW 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. UWW's principal repayment is approximately $88,000 per month and increased to $104,000 per month in June 2009. During the years ended December 31, 2009 and 2008, the Organization made principal payments of $1,172,000 and $973,000, respectively. The interest rate as of December 31, 2009 and 2008 was 1.53% and 2.38%, respectively. Interest expense was $43,000 and $183,000 for the years ended December 31, 2009 and 2008, respectively. UWW was in compliance with all debt covenants as of December 31, 2009.

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

2010	$ 1,250,000
2011	519,000
	1,769,000
Less: current portion of long term debt	1,250,000
Non-current long term debt	$ 519,000

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 December 31, 2009, no amounts had been advanced on the loan. UWW has borrowed $1,041,000 on the line-of-credit subsequent to year end. The maximum amount of outstanding principal on the loan cannot exceed the following amounts:

Period	*Outstanding Principal Maximum*
December 18, 2009 – April 29, 2011	$ 6,000,000
April 30, 2011 – April 29, 2012	$ 4,500,000
April 30, 2012 – April 29, 2013	$ 2,700,000
April 30, 2013 – April 29, 2014	$ 1,500,000
April 30, 2014 and thereafter	$ -

14. Pension and Other Postretirement Benefits

The Organization sponsors the Pension Plan of the United Way Worldwide (UWW Plan), several Non-Qualified Plans (Non-Qualified Plans), and two Postretirement Benefit Plans (Postretirement 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). The Postretirement Plans include the UWW Postretirement Benefit Plan and the Tri-State Postretirement Benefit Plan.

Pension Plan of United Way Worldwide

The UWW Plan (UWW 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.

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

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

The Defined Benefit Plan for Employees of United Way of Tri-State (Tri-State Plan) was merged into the UWW 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 following is a summary of the funded status of the UWW Plan as of December 31, 2009 and 2008 and the key assumptions used by the UWW Plan’s actuary. The calculations are performed based on measurement dates of December 31, 2009 and December 31, 2008 for the years ended December 31, 2009 and 2008, respectively.

Obligations and Funded Status

As of December 31,	**2009**	2008
Accumulated benefit obligation	**$ 32,808,000**	$ 29,670,000
Projected benefit obligation	**$ 34,721,000**	$ 31,343,000
Fair value of plan assets	**25,404,000**	21,490,000
Funded status – under funded	**(9,317,000)**	(9,853,000)
Underfunded pension liability	**$ 9,317,000**	$ 9,853,000

Items not yet recognized as a component of net periodic pension cost as of December 31, 2009 and 2008 are as follows:

December 31,	**2009**	2008
(Gain) loss due to assets	**$ (2,336,000)**	$ 8,671,000
Loss (gain) due to change in discount rate	**1,253,000**	(1,222,000)
Loss (gain) in benefit obligation	**1,538,000**	(2,466,000)
Total	**$ 455,000**	$ 4,983,000

Contributions and benefit payments made during the year were as follows:

Year ended December 31,	**2009**	2008
Employer contributions	**$ 1,284,000**	$ 116,000
Benefits paid	**$ 1,377,000**	$ 1,161,000

Net Periodic Benefit Cost

Components of net periodic benefit cost recognized as expenses in the accompanying consolidated statements of activities for the years ended December 31, 2009 and 2008 were:

Years ended December 31,	**2009**	2008
Interest cost	**$ 1,963,000**	$ 1,911,000
Expected return on assets	**(1,641,000)**	(2,206,000)
Amortization of loss	**1,443,000**	763,000
Net periodic benefit cost	**$ 1,765,000**	$ 468,000

Assumptions

Weighted average assumptions used to determine the benefit obligation and net periodic pension benefit cost are as follows:

Years ended December 31,	**2009**	2008
Benefit Obligation:		
Discount rate	**6.00%**	6.25%
Rate of compensation increase	**5.00%**	5.00%
Expected return on plan assets	**8.00%**	8.00%
Net Periodic Benefit Cost:		
Discount rate	**6.25%**	6.25%
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, 2009 and 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.

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 Plans' target asset allocations.

Plan assets

The fair value of plan assets by asset category as of December 31, 2009 and 2008 were:

As of December 31,	**2009**	2008
Cash	**$ -**	$ 419,000
Common collective trusts-equities	**16,209,000**	13,315,000
Common collective trusts-fixed income	**9,195,000**	7,756,000
Total	**$ 25,404,000**	$ 21,490,000

The fair market value of plan assets, consisting of common collective trusts, qualified as Level 2 investments under the FASB ASC Topic 820 hierarchy. The units held in collective trusts are valued at the unit values as reported by the UWW Plan trustee as of December 31, 2009 and 2008. The unit values are based upon the market values of underlying investments as determined periodically by the UWW Plan trustee.

The UWW Plan assets are diversified to minimize risk and maximize returns. The targeted asset allocation is 60% equities and 40% fixed income. The UWW Plan assets are managed by professional investment managers and are monitored by UWW's management, Finance Committee, and Investment and Pension Subcommittee.

Estimations of future activity

Expected amortizations of net actuarial loss during the year ended December 31, 2010 are $1,190,000.

The following benefit payments, which reflect expected future service, as appropriate, are expected to be paid as follows:

Years ended December 31,	
2010	$ 2,156,000
2011	$ 838,000
2012	$ 1,420,000
2013	$ 2,615,000
2014	$ 1,049,000
2015 – 2019	$ 11,503,000

The UWW Plan is positioned to meet the minimum funding requirement as outlined in the Pension Protection Act of 2006. As of January 1, 2009, 93.73% of the current liability for the UWW plan was funded. UWW plans to make contributions during 2010 for the 2009 plan year in order to achieve an 80% funding target attainment percentage as of January 1, 2010, keeping with the Pension Protection Act target. UWW 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.

The Organization does not expect to make a contribution to the UWW Plan in 2010.

United Way Worldwide 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 following is a summary of the funded status of the Non-Qualified Plans as of December 31, 2009 and 2008 and the key assumptions used by the actuary. The calculations are performed based on measurement dates of December 31, 2009 and December 31, 2008 for the years ended December 31, 2009 and 2008, respectively.

Obligations and Funded Status

As of December 31,	**2009**	2008
Accumulated benefit obligation	**$ 1,663,000**	$ 1,646,000
Projected benefit obligation	**$ 1,569,000**	$ 1,631,000
Fair value of plan assets	**79,000**	77,000
Funded status – under funded	**$ (1,490,000)**	$ (1,554,000)
Unfunded pension liability	**$ 1,490,000**	$ 1,554,000

Items not yet recognized as a component of net periodic pension cost as of December 31, 2009 and 2008 are as follows:

December 31,		**2009**		2008
Loss due to assets	**$**	**4,000**	$	3,000
Loss (gain) due to change in discount rate		**53,000**		(57,000)
Gain in benefit obligation		**(99,000)**		(27,000)
Total	**$**	**(42,000)**	$	(81,000)

Contributions and benefit payments made during the year were as follows:

Year ended December 31,		**2009**		2008
Employer contributions	**$**	**112,000**	$	185,000
Benefits paid	**$**	**112,000**	$	185,000

Net Periodic Benefit Cost

Components of net periodic benefit cost recognized as expenses in the accompanying consolidated statements of activities for the years ended December 31, were:

Years ended December 31,	**2009**	2008
Interest cost	**$ 96,000**	$ 107,000
Expected return on assets	**(6,000)**	(6,000)
Amortization of net (gain) loss	**(16,000)**	10,000
Net periodic benefit cost	**$ 74,000**	$ 111,000

Assumptions

Weighted average assumptions used to determine the benefit obligation and net periodic benefit cost are as follows:

Years ended December 31,	**2009**	2008
Benefit Obligation:		
Discount rate	**6.00%**	6.25%
Cost of living adjustment	**3.00%**	3.00%
Expected return on plan assets	**8.00%**	8.00%
Net Periodic Benefit Cost:		
Discount rate	**6.25%**	6.25%
Cost of living adjustment	**3.00%**	3.00%
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, 2009 and 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.

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 Plans' target asset allocations.

Plan assets

The fair value of plan assets by asset category as of December 31, were:

As of December 31,	**2009**	2008
Cash	**$ 79,000**	$ 77,000

The fair market value of plan assets, consisting of cash, qualified as Level 1 investments under the FASB ASC Topic 820 hierarchy.

The Non-Qualified Plan assets are managed by professional investment managers and are monitored by UWW's management, Finance Committee, and Investment and Pension Subcommittee.

Estimations of future activity

Expected amortizations of net actuarial loss during the year ended December 31, 2010 are $35,000.

The following benefit payments, which reflect expected future service, as appropriate, are expected to be paid as follows:

Years ended December 31,	
2010	$ 720,000
2011	$ 20,000
2012	$ 19,000
2013	$ 19,000
2014	$ 1,177,000
2015 – 2019	$ 83,000

The Organization expects to make contributions to the Non-Qualified Plans equal to the 2010 benefit payments.

United Way Worldwide Postretirement Benefit Plans

UWW Postretirement Benefit Plan

UWW 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 Worldwide's policy is to fund these benefits through premium reimbursements to participants. However, in conformity with FASB ASC Topic 715-60, *Employers' Accounting for Postretirement Benefits Other Than Pensions* (previously known as SFAS No. 106, as amended by FASB ASC Topic 715-30, *Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans* (formerly known as 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 UWW 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, co-payment provisions, and other limitations. This plan is frozen and not open to new participants.

UWW 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.

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 FASB ASC Topic 715-60, and as amended by FASB ASC Topic 715-30, the cost of providing these benefits are to be accrued over the average remaining lifetime of the retiree group.

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.

The following is a summary of the funded status of the Postretirement Plans as of December 31, 2009 and 2008 and the key assumptions used by the actuary. The calculations are performed based on measurement dates of December 31, 2009 and December 31, 2008 for the years ended December 31, 2009 and 2008, respectively.

Obligations and Funded Status

As of December 31,		2009		2008
Accumulated benefit obligation	**$**	**2,271,000**	$	2,398,000
Fair value of plan assets		**-**		-
Funded status – under funded	**$**	**(2,271,000)**	$	(2,398,000)
Unfunded pension liability	**$**	**2,271,000**	$	2,398,000

Items not yet recognized as a component of net periodic pension cost as of December 31, 2009 and 2008 are as follows:

December 31,		2009		2008
Loss (gain) due to change in discount rate	**$**	**47,000**	$	(53,000)
Loss due to change in mortality		**-**		1,000
(Gain) loss in benefit obligation		**(141,000)**	$	14,000
Total	**$**	**(94,000)**	$	(38,000)

Contributions and benefit payments made during the year were as follows:

Year ended December 31,		2009		2008
Employer contributions	**$**	**181,000**	$	84,000
Benefits paid	**$**	**181,000**	$	84,000

Net Periodic Benefit Cost

Components of net periodic postretirement benefit cost recognized as expenses in the accompanying consolidated statements of activities for the years ended December 31, were:

Years ended December 31,	**2009**	2008
Service cost	**$ 12,000**	$ 11,000
Interest cost	**136,000**	143,000
Net amortization		
Amortization of prior service cost	**25,000**	25,000
Amortization of net gain	**(55,000)**	(34,000)
Net periodic benefit cost	**$ 118,000**	$ 145,000

Assumptions

The weighted average assumptions were:

	2009	2008
Measurement date	December 31, 2009	December 31, 2008
Discount rate	**6.00%**	6.25%

Plan assets

The Postretirement Plans are not funded. UWW makes contributions to the plans as benefit payments are made.

Estimations of future activity

Estimated amounts to be amortized during the year ended December 31, 2010:

	2010
Prior service cost	**$ 25,000**
Net actuarial gain	**$ (58,000)**

The following benefit payments, which reflect expected future service, as appropriate, are expected to be paid as follows:

Years Ended December 31,	
2010	$ 181,000
2011	$ 182,000
2012	$ 182,000
2013	$ 195,000
2014	$ 194,000
2015 – 2019	$ 996,000

UWW plans to make contributions amounting to $181,000 during 2010 to the postretirement plan.

Tri-State Make-up Plan

Tri-State maintains an additional non-qualified 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 $288,000 and $287,000, which is accrued as of December 31, 2009 and 2008, respectively. Pension expense for these benefits amounted to $23,000 and $62,000 for the years ended December 31, 2009 and 2008, respectively.

Reconciliation of Defined Benefit Plan Liabilities and Expenses to the Financial Statements:

The following table presents a reconciliation of the liabilities recognized for pension benefits to the presentation in the consolidated financial statements:

	2009	2008
UWW Plan	**$ 9,317,000**	$ 9,853,000
Non-qualified plans	**1,490,000**	1,554,000
Tri-State Make-up Plan	**288,000**	287,000
Total recognized liability	**$ 11,095,000**	$ 11,694,000
Current portion, liability for pension benefits	**$ 712,000**	$ 1,000,000
Noncurrent portion, liability for pension benefits	**10,383,000**	10,694,000
Total liability for pension benefits	**$ 11,095,000**	$ 11,694,000

The following table presents a reconciliation of the components of the post retirement benefits to the presentation in the consolidated financial statements:

As of December 31,	2009	2008
Post retirement benefit plans	**$ 2,271,000**	$ 2,398,000
Current portion, postretirement benefits	**$ 181,000**	$ 193,000
Noncurrent portion, postretirement benefits	**2,090,000**	2,205,000
Total postretirement benefits	**$ 2,271,000**	$ 2,398,000

The following table presents a reconciliation of the change in unrecognized loss recognized apart from expenses in the consolidated financial statements:

	2009	2008
UWW Plan	**$ 455,000**	$ 4,983,000
Non-Qualified Plans	**(42,000)**	(81,000)
Postretirement Plans	**(94,000)**	(38,000)
Total change in unrecognized loss recognized apart from expenses	**$ 319,000**	$ 4,864,000

Other Employee Benefit Plans

United Way 403(b) Plan

UWW 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. UWW's contributions to this plan were $1,003,000 and $922,000 for the years ended 2009 and 2008, respectively.

United Way Store 401(k) Plan

In 1997, UW Store approved a 401(k) plan for all employees. UW Store accrued contributions of $9,000 and $78,000 for the plan in 2009 and 2008, respectively.

UWW Deferred Compensation Plan

In 2005, UWW 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. As of December 31, 2009 and 2008, the assets of $146,000 and $128,000, respectively, for this plan are included in other noncurrent assets in the consolidated statements of financial position. The assets are invested in cash and cash equivalents. The matching liabilities as of December 31, 2009 and 2008 of $146,000 and $128,000, respectively, for this plan are included in other noncurrent assets in the consolidated statements of financial position. UWW's contributions to this plan were $24,000 and $33,000 for the years ended 2009 and 2008, respectively.

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. As of December 31, 2009 and 2008, the assets of $174,000 and $158,000, respectively, for this plan are included in other noncurrent assets in the consolidated statements of financial position. The assets are invested in cash and cash equivalents. The fair market value of this plan was $757,000 and $843,000 for the years ended December 31, 2009 and 2008, respectively.

15. Board Designated Endowment

In August 2008, the FASB issued FASB ASC Topic 958-205 (previously known as 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).*

UWW 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. UWW has no donor restricted endowment funds as of December 31, 2009 and 2008. 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 FASB ASC Topic 958-205, related to board designated funds. UWW's unrestricted board designated endowment funds totaled $485,000 and $409,000 at December 31, 2009 and 2008, respectively.

Changes in board designated endowment net assets for the years ended December 31, 2009 and 2008 were:

	2009	2008
Endowment net assets, beginning of year	**$ 409,000**	$ 366,000
Net asset reclassification	**-**	-
Endowment net assets after reclassification	**409,000**	366,000
Interest income	**1,000**	11,000
Contributions	**75,000**	32,000
Endowment net assets, end of year	**$ 485,000**	$ 409,000

16. Temporarily Restricted Net Assets

Temporarily restricted net assets at December 31, 2009 and 2008 were restricted for the following purposes:

	2009	2008
Building initiative	**$ 5,733,000**	$ 454,000
Campaign and public relations	**5,261,000**	4,121,000
Economic self-sufficiency	**4,444,000**	617,000
Initiative to benefit children and families	**3,417,000**	2,334,000
Training and research	**2,701,000**	4,723,000
International support	**2,436,000**	5,811,000
Global initiative	**815,000**	484,000
Disaster response and recovery	**710,000**	1,030,000
Leadership coalition	**498,000**	560,000
Scholarships	**55,000**	61,000
Other	**4,000**	46,000
Volunteer engagement	**-**	275,000
Total temporarily restricted net assets	**$ 26,074,000**	$ 20,516,000

17. Net Assets Released from Restriction

Temporarily restricted net assets released from restriction for the years ending December 31, 2009 and 2008 were:

	2009	2008
Campaign and public relations	**$ 10,249,000**	$ 15,065,000
Initiative to benefit children and families	**5,393,000**	2,841,000
International support	**3,945,000**	6,593,000
Training and research	**2,831,000**	1,682,000
Building initiative	**2,769,000**	587,000
Economic self-sufficiency	**2,523,000**	1,414,000
Global initiative	**779,000**	784,000
Disaster response and recovery	**314,000**	2,225,000
Leadership coalition	**272,000**	130,000
Other	**24,000**	311,000
Scholarships	**6,000**	22,000
Volunteer engagement	**-**	625,000
Net assets released from restrictions	**$ 29,105,000**	$ 32,279,000

18. Description of Program and Supporting Services

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

Program Services

Investor Relations

Support for UWW's members and United Way system-wide programs including Global Corporate Leadership, international activities, major gifts, Alexis de Tocqueville program, planned giving, and community and public sector campaigns.

Community Impact Leadership & Learning

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. Provides training programs for local United Way volunteers and staff, national conferences and organizational training.

Public Policy

Leads UWW's federal advocacy efforts on behalf of the United Way movement to promote key issues before Congress and the Administration.

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.

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.

UW Store

UW Store provides sales and fulfillment services of United Way branded products to LUWs and corporations running United Way campaigns. The UW Store program service costs include cost of goods sold and other selling expenses.

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.

19. Commitments and Contingencies

Operating Leases

UWW 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 UWW 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 UWW due to the reorganization expires July 31, 2012. UWW has sublet this space to a third party through July 30, 2012, to recover approximately 60% of the total lease cost. The present value of the future lease payments on the unused location, net of proceeds from the sublease, is approximately $326,000 and $453,000 as of December 31, 2009 and 2008, respectively, and is included in accrued expenses in the consolidated statements of financial position. Leased office equipment includes the telephone system and computer components. Rent expense for the years ended December 31, 2009 and 2008 was approximately $978,000 and $467,000, respectively.

In May 2009, the UW Store entered into a five-year operating lease for space in Alexandria, Virginia. The lease began 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 expired November 30, 2009. Rent expense for the years ended December 31, 2009 and 2008 was approximately $208,000 and $152,000, respectively.

Future minimum lease payments under the operating leases as of December 31, 2009, are as follows (in thousands):

	UWW	UW Store	Sublease Income	Total
2010	$ 1,131	$ 103	$ (206)	$ 1,028
2011	985	106	(210)	881
2012	592	109	(125)	576
2013	25	112	-	137
2014	13	86	-	99
Total	$ 2,746	$ 516	$ (541)	$ 2,721

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 2008/2009 campaign that are contingent upon finalization and approval of the formula calculation.

20. 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 $40,000 and $27,000 for the years ended December 31, 2009 and 2008, respectively. These donations are reflected in UWW's consolidated statements of activities.

In addition, UWW has maintained a mutually beneficial relationship with the National Football League (NFL) where UWW 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. UWW does not record this donation of the airtime as an in-kind gift because of UWW's financial inability to purchase such advertising, were it not to be donated. The value of the donated airtime is estimated to be $17,000,000 and $16,000,000 for the 2009/2010 and 2008/2009 NFL seasons, respectively.

In 2008, 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, UWW does not record this donation of airtime as an in-kind gift due to the lack of direct benefit to UWW from the advertisements.

21. Supplemental Disclosure of Cash Flows Information

	2009	2008
Cash paid during the year for interest	**$ 43,000**	$ 183,000
Cash paid during the year for income taxes	**$ 13,000**	$ 199,000

In 2008, UWW 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 12.

22. Income Taxes

UWW 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. UWW is required to make the appropriate tax payments on any income considered unrelated to its exempt purpose.

UWW received approximately $202,000 and $326,000 in royalty income from UW Store for the years ended December 31, 2009 and 2008, respectively, and was required to file IRS Form 990-T. UWW incurred Federal and Virginia State income tax expense related to unrelated business income in the amount of $7,500 and $14,000 for the years ended December 31, 2009 and 2008, respectively. This tax expense is included in general and administrative expenses.

On January 1, 2009, the Organization adopted the provisions of FASB ASC Topic 740-10, *Income Taxes* (previously known as FASB Interpretation No. 48, *Accounting for Uncertainty in Income Taxes*). The implementation of ASC 740-10 had no impact on the Organization's consolidated financial statements and, accordingly, no interest or penalties were accrued as of January 1, 2009. Management believes it has no material uncertain tax positions or any related penalties and interest to accrue for the year ended December 31, 2009, and, accordingly, there is no liability for unrecognized tax benefits.

The Organization files IRS Form 990 and 990-T annually with the Federal Government and is still open to examination by taxing authorities for fiscal year 2006 and later.

UW Store follows FASB ASC Topic 740-10 (formerly known as 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.

UW Store has a tax receivable of $249,000 related to refunds from amended tax returns for a loss carryback related to the 2009 tax year.

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:

	2009	2008
Current tax provision:		
Federal	**$ (236,000)**	$ 51,000
State	**(29,000)**	7,000
Total current provision	**(265,000)**	58,000
Deferred tax provision:		
Federal	**(7,000)**	6,000
State	**(1,000)**	1,000
Total deferred provision	**(8,000)**	7,000
Total provision for income taxes	**$ (273,000)**	$ 65,000

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):

	2009	2008
Unfunded pension	**$ 267,000**	$ 288,000
Tax depreciation and amortization	**11,000**	10,000
Prepaid pension	**(24,000)**	(45,000)
Accounts receivable allowances	**13,000**	14,000
Other	**15,000**	29,000
Net deferred asset	**$ 282,000**	$ 296,000

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

23. Subsequent Events

The Organization has evaluated subsequent events through September 1, 2010, which is the date the financial statements were available to be issued. There were no events noted that required adjustments to or disclosure in these consolidated financial statements.