United Way Worldwide and Subsidiaries

Consolidated Financial Statements
Years Ended December 31, 2013 and 2012

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

United Way Worldwide
and Subsidiaries

Consolidated Financial Statements
Years Ended December 31, 2013 and 2012

United Way Worldwide and Subsidiaries

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Independent Auditor's Report

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

We have audited the accompanying consolidated financial statements of **United Way Worldwide and Subsidiaries** (collectively "the Organization"), which comprise the consolidated statements of financial position as of December 31, 2013 and 2012, and the related consolidated statements of activities, cash flows and functional expenses for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of **United Way Worldwide and Subsidiaries** as of December 31, 2013 and 2012, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

BDO USA, LLP

April 29, 2014

Consolidated
Financial Statements

United Way Worldwide and Subsidiaries

Consolidated Statements of Financial Position

December 31,	**2013**	2012
Assets		
Current assets:		
Cash and cash equivalents	**$ 8,298,862**	$ 14,400,098
Short-term investments	**4,570,084**	7,789,020
Custodial funds	**3,477,142**	3,926,770
Local United Way receivables, net	**875,472**	892,383
Campaign receivables, net		
Amounts raised on behalf of others	**7,262,888**	6,499,756
Unrestricted campaign receivables	**94,059**	11,546,044
Contributions receivable, net	**3,127,278**	3,815,766
Accounts receivable, net	**504,138**	538,964
Inventory, net	**-**	115,109
Note receivable	**576,176**	-
Prepaid expenses and other current assets	**758,748**	570,077
Due from participating local United Ways	**-**	378,488
Due from affiliates	**114,870**	180,820
Total current assets	**29,659,717**	50,653,295
Noncurrent assets:		
Custodial funds	**1,271,320**	1,499,915
Note receivable	**-**	556,041
Investments	**18,848,229**	10,890,988
Property and equipment, net	**15,537,569**	16,293,240
Contributions receivable, net	**135,000**	515,584
Investment in Truist	**243,529**	243,529
Other noncurrent assets	**1,008,513**	924,708
Total noncurrent assets	**37,044,160**	30,924,005
Total assets	**$ 66,703,877**	$ 81,577,300

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,	**2013**	2012
Liabilities and net assets		
Current liabilities:		
Accounts payable and accrued liabilities	**$ 4,052,199**	$ 4,203,299
Distributions payable to local United Ways	**81,440**	1,137,962
Amounts raised on behalf of others	**7,262,888**	10,753,025
Custodial funds	**3,395,702**	2,236,540
Current portion, liability for pension benefits	**1,587,900**	1,437,900
Current portion, postretirement benefits	**167,000**	158,000
Current portion, long term debt	**500,000**	-
Deferred revenue	**3,247,215**	3,174,904
Current portion of grants payable	**223,643**	107,336
Other current liabilities	**24,536**	23,570
Total current liabilities	**20,542,523**	23,232,536
Noncurrent liabilities:		
Custodial liability	**1,271,320**	1,499,915
Liability for pension benefits, net of current portion	**5,353,816**	13,726,613
Postretirement benefits, net of current portion	**1,963,524**	2,127,420
Long term debt, net of current portion	**-**	706,000
Grants payable, net of current portion	**434,011**	552,125
Deferred compensation	**293,368**	231,443
Total noncurrent liabilities	**9,316,039**	18,843,516
Total liabilities	**29,858,562**	42,076,052
Commitments and contingencies		
Net assets:		
Unrestricted	**23,362,350**	18,900,685
Unrestricted - Board Designated	**892,787**	887,188
Temporarily restricted	**8,799,091**	15,923,829
Permanently restricted	**3,791,087**	3,789,546
Total net assets	**36,845,315**	39,501,248
Total liabilities and net assets	**$ 66,703,877**	$ 81,577,300

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

United Way Worldwide and Subsidiaries

Consolidated Statement of Activities

Year Ended December 31, 2013

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Revenues				
Public support:				
Membership support, net	$ 28,869,412	$ -	$ -	$ 28,869,412
Campaign efforts of Tri-State	-	8,463,430	-	8,463,430
Less: gross amounts raised on behalf of others	-	(6,643,902)	-	(6,643,902)
Less: allowance for uncollectible pledges	-	(650,000)	-	(650,000)
Adjustments from prior year campaigns	(5,794,881)	-	-	(5,794,881)
Contributions	39,628,744	9,003,390	1,541	48,633,675
Total public support	62,703,275	10,172,918	1,541	72,877,734
Other revenue:				
Promotional material sales	693,651	-	-	693,651
Program service fees	2,009,393	228,900	-	2,238,293
Investment income, net	475,368	623,671	-	1,099,039
Conferences	2,708,088		-	2,708,088
Miscellaneous and other	1,044,431		-	1,044,431
Total other revenue	6,930,931	852,571	-	7,783,502
Net assets released from restrictions	18,150,227	(18,150,227)	-	-
Total revenues	87,784,433	(7,124,738)	1,541	80,661,236
Expenses				
Program services:				
Investor Relations	6,551,805	-	-	6,551,805
International Donor Advised Giving	36,091,903	-	-	36,091,903
International Network	3,848,182	-	-	3,848,182
U.S. Network	8,764,886	-	-	8,764,886
Community Impact and Strategy	8,757,374	-	-	8,757,374
Learning, Conferencing and Talent Management	4,475,568	-	-	4,475,568
Brand Strategy and Marketing	6,928,662	-	-	6,928,662
Campaign and Public Relations	5,738,962	-	-	5,738,962
Promotional Material Sales	579,459	-	-	579,459
Total program services	81,736,801	-	-	81,736,801
Supporting services:				
General and administrative	5,790,531	-	-	5,790,531
Fundraising	2,391,695	-	-	2,391,695
Total supporting services	8,182,226	-	-	8,182,226
Total expenses	89,919,027	-	-	89,919,027
Changes in net assets before non-operating items	(2,134,594)	(7,124,738)	1,541	(9,257,791)
Non-operating items				
Pension-related changes other than net periodic pension cost	6,855,447	-	-	6,855,447
Loss on closure of UW Store	(253,589)	-	-	(253,589)
Changes in net assets	4,467,264	(7,124,738)	1,541	(2,655,933)
Net assets, beginning of year	19,787,873	15,923,829	3,789,546	39,501,248
Net assets, end of year	$ 24,255,137	$ 8,799,091	$ 3,791,087	$ 36,845,315

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

United Way Worldwide and Subsidiaries

Consolidated Statement of Activities

Year Ended December 31, 2012

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Revenues				
Public support:				
Membership support, net	$ 28,608,133	$ -	$ -	$ 28,608,133
Campaign efforts of Tri-State	-	21,704,177	-	21,704,177
Less: gross amounts raised on behalf of others	-	(13,567,207)	-	(13,567,207)
Add: reversal of allowance for uncollectible pledges	-	20,193	-	20,193
Adjustments from prior year campaigns	(650,637)	-	-	(650,637)
Contributions	36,790,138	13,022,260	119,508	49,931,906
Total public support	64,747,634	21,179,423	119,508	86,046,565
Other revenue:				
Promotional material sales	2,995,160	-	-	2,995,160
Program service fees	2,001,786	210,000	-	2,211,786
Investment income, net	372,620	372,037	-	744,657
Conferences	2,638,556	-	-	2,638,556
Miscellaneous and other	895,319	-	-	895,319
Total other revenue	8,903,441	582,037	-	9,485,478
Net assets released from restrictions	21,864,048	(21,864,048)	-	-
Total revenues	95,515,123	(102,588)	119,508	95,532,043
Expenses				
Program services:				
Investor Relations	5,267,661	-	-	5,267,661
International Donor Advised Giving	33,665,270	-	-	33,665,270
International Network	2,701,739	-	-	2,701,739
U.S. Network	11,354,388	-	-	11,354,388
Community Impact and Strategy	14,839,663	-	-	14,839,663
Learning, Conferencing and Talent Management	3,891,576	-	-	3,891,576
Brand Strategy and Marketing	8,498,537	-	-	8,498,537
Campaign and Public Relations	4,887,944	-	-	4,887,944
Promotional Material Sales	2,828,600	-	-	2,828,600
Total program services	87,935,378	-	-	87,935,378
Supporting services:				
General and administrative	6,447,510	-	-	6,447,510
Fundraising	2,973,167	-	-	2,973,167
Total supporting services	9,420,677	-	-	9,420,677
Total expenses	97,356,055	-	-	97,356,055
Changes in net assets before non-operating items	(1,840,932)	(102,588)	119,508	(1,824,012)
Non-operating items				
Pension-related changes other than net periodic pension cost	(596,750)	-	-	(596,750)
Gain on sale of investment in Truist	3,314,542	-	-	3,314,542
Changes in net assets	876,860	(102,588)	119,508	893,780
Net assets, beginning of year	18,911,013	16,026,417	3,670,038	38,607,468
Net assets, end of year	$ 19,787,873	$ 15,923,829	$ 3,789,546	$ 39,501,248

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,	**2013**	2012
Cash flows from operating activities		
Changes in net assets	**$ (2,655,933)**	$ 893,780
Adjustments to reconcile changes in net assets to net cash flows (used in) provided by operating activities:		
Depreciation and amortization	**1,310,059**	1,600,122
Reversal of allowance for doubtful accounts	**(2,518,621)**	(2,382,922)
Bad debt expense (recovery)	**2,035**	(20,950)
Provision for allowance for inventory	**-**	23,200
Inventory write-off	**-**	29,878
Realized and unrealized gain on investments	**(723,947)**	(268,018)
Permanently restricted contributions received	**(1,541)**	(119,508)
Gain on sale of investment in Truist	**-**	(3,314,542)
Changes in assets and liabilities:		
Custodial funds	**1,608,790**	4,043,117
Local United Way receivables	**8,776**	1,343,775
Amounts raised on behalf of others	**(1,957,831)**	5,599,385
Campaign receivables	**11,451,985**	(2,358,667)
Contributions receivable	**1,270,873**	1,157,436
Accounts receivable	**62,308**	(239,139)
Inventory	**115,109**	103,929
Deferred income tax asset	**-**	556,307
Prepaid expenses and other current assets	**(188,671)**	57,933
Due from participating local United Ways	**378,488**	142,078
Due from affiliates	**65,950**	162,704
Other noncurrent assets	**(64,874)**	5,309
Accounts payable and accrued liabilities	**(151,100)**	(181,858)
Distributions payable to local United Ways	**(1,056,522)**	249,518
Grants payable	**(1,807)**	(98,614)
Advances on grants not awarded	**-**	(3,359,747)
Deferred revenue	**72,311**	(864,501)
Due to affiliates	**-**	(477,532)
Liability for pension benefits	**(8,222,797)**	(876,423)
Postretirement benefits	**(154,896)**	(242,264)
Other liabilities	**62,891**	(199,354)
Net cash flows (used in) provided by operating activities	**(1,288,965)**	964,432
Cash flows from investing activities		
Purchase of property and equipment	**(554,388)**	(334,919)
Proceeds from sale of investments	**18,807,052**	17,418,261
Purchase of investments	**(22,840,341)**	(19,173,441)
Proceeds from sale of investment in Truist	**-**	3,306,300
Investment in Truist	**-**	(243,529)
Issuance of and interest on notes receivable	**(20,135)**	255,277
Net cash flows (used in) provided by investing activities	**(4,607,812)**	1,227,949
Cash flows from financing activities		
Repayment of debt	**(206,000)**	(1,600,000)
Permanently restricted contributions received	**1,541**	119,508
Net cash flows used in financing activities	**(204,459)**	(1,480,492)
Net (decrease) increase in cash and cash equivalents	**(6,101,236)**	711,889
Cash and cash equivalents:		
Beginning of year	**14,400,098**	13,688,209
End of year	**$ 8,298,862**	$ 14,400,098

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, 2013

	Program Services										Supporting Services			
	Investor Relations	International Donor Advised Giving	International Network	U.S. Network	Community Impact and Strategy	Learning Conferencing and Talent Management	Brand Strategy and Marketing	Campaign and Public Relations	Promotional Material Sales	Total Program Services	General and Administrative	Fundraising	Total Supporting Services	Total Expenses
Salaries	$ 2,981,293	$ 471,792	$1,121,770	$4,909,954	$1,433,679	$ 1,488,990	$ 3,104,691	$ 112,974	$ 328,976	$ 15,954,119	$ 2,651,144	$1,085,294	$ 3,736,438	$ 19,690,557
Employee benefits and taxes	560,830	94,789	198,496	1,046,610	299,103	278,012	589,346	36,932	62,341	3,166,459	622,873	252,791	875,664	4,042,123
Professional fees and contract services	675,978	23,438	1,046,934	1,111,367	1,739,764	1,497,788	2,409,967	356,265	22,894	8,884,395	1,479,634	418,141	1,897,775	10,782,170
Conferences and travel	594,562	18,591	607,889	637,141	632,556	855,137	245,817	20,919	9,969	3,622,581	134,256	304,327	438,583	4,061,164
Subscriptions, dues, and staff development	47,919	5,586	41,321	72,987	13,090	31,528	35,187	5,039	2,476	255,133	74,989	23,239	98,228	353,361
Scholarships, grants, and awards	1,091,597	35,378,750	632,224	133,973	4,410,851	4,849	4,195	5,155,874	503	46,812,816	9,174	134,993	144,167	46,956,983
Supplies	82,473	12,022	35,705	164,715	27,413	35,629	94,785	0	100,530	553,272	50,287	34,933	85,220	638,492
Telephone	115,334	8,468	46,602	148,618	44,270	58,996	56,352	2,771	4,942	486,353	47,897	19,492	67,389	553,742
Postage and shipping	12,926	1,614	3,303	22,456	4,619	10,817	8,049	120	911	64,815	10,196	3,352	13,548	78,363
Occupancy	102,762	19,762	35,185	134,382	39,524	55,334	98,810	28,383	12,165	526,307	115,293	27,667	142,960	669,267
Depreciation and amortization	228,601	43,962	61,546	298,940	87,923	123,093	219,809	-	26,377	1,090,251	158,262	61,546	219,808	1,310,059
Other expenses	57,530	13,129	17,207	83,743	24,582	35,395	61,654	19,685	7,375	320,300	436,526	25,920	462,446	782,746
Total expenses	$ 6,551,805	$ 36,091,903	$ 3,848,182	$8,764,886	$8,757,374	$ 4,475,568	$ 6,928,662	$ 5,738,962	$ 579,459	$ 81,736,801	$ 5,790,531	$2,391,695	$ 8,182,226	$ 89,919,027

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, 2012

	Program Services										Supporting Services			
	Investor Relations	International Donor Advised Giving	International Network	U.S. Network	Community Impact and Strategy	Learning Conferencing and Talent Management	Brand Strategy and Marketing	Campaign and Public Relations	Promotional Material Sales	Total Program Services	General and Administrative	Fundraising	Total Supporting Services	Total Expenses
Salaries	$ 3,119,156	$ 615,782	$ 940,641	$ 5,795,215	$ 2,900,944	$ 1,309,550	$ 3,568,371	$ 413,785	$ 361,497	$ 19,024,941	$ 3,170,545	$ 1,656,573	$ 4,827,118	$ 23,852,059
Employee benefits and taxes	692,947	150,265	176,097	1,210,821	731,655	324,525	801,874	77,575	88,053	4,253,812	467,433	361,587	829,020	5,082,832
Professional fees and contract services	274,338	76,018	874,740	2,323,734	1,125,452	887,666	1,629,578	12,500	67,478	7,271,504	1,184,880	552,260	1,737,140	9,008,644
Conferences and travel	436,509	19,178	382,487	681,997	413,651	988,615	393,291	26,850	21,435	3,364,013	111,057	107,539	218,596	3,582,609
Subscriptions, dues, and staff development	14,488	11,154	5,096	58,184	25,642	11,883	47,767	1,069	-	175,283	86,177	22,819	108,996	284,279
Scholarships, grants, and awards	190,167	32,690,540	148,343	147,579	9,384,172	38,552	1,605,416	4,050,796	-	48,255,565	80,077	97,514	177,591	48,433,156
Supplies	58,297	15,326	20,079	151,994	28,340	41,826	49,521	18,261	20,590	404,234	59,406	22,095	81,501	485,735
Telephone	105,473	10,733	41,560	174,992	61,119	67,304	66,841	21,801	23,807	573,630	75,583	45,738	121,321	694,951
Postage and shipping	8,820	1,025	2,958	26,944	3,120	10,958	4,987	891	29,543	89,246	18,327	1,673	20,000	109,246
Occupancy	84,569	15,846	26,574	164,799	34,882	44,369	69,743	209,723	-	650,505	553,271	22,205	575,476	1,225,981
Cost of goods sold	-	-	-	-	-	-	-	-	1,659,890	1,659,890	-	-	-	1,659,890
Depreciation and amortization	234,215	45,041	63,058	468,431	99,091	126,116	198,182	52,990	-	1,287,124	249,940	63,058	312,998	1,600,122
Income taxes	-	-	-	-	-	-	-	1,703	556,307	558,010	-	-	-	558,010
Other expenses	48,682	14,362	20,106	149,698	31,595	40,212	62,966	-	-	367,621	390,814	20,106	410,920	778,541
Total expenses	$ 5,267,661	$ 33,665,270	$ 2,701,739	$11,354,388	$14,839,663	$ 3,891,576	$ 8,498,537	$ 4,887,944	$ 2,828,600	$ 87,935,378	$ 6,447,510	$ 2,973,167	$ 9,420,677	$ 97,356,055

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

Organization

United Way Worldwide (UWW) is an international organization supported primarily by local United Ways (LUW's) 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.

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.

Tri-State, which had historically generated approximately $40 million of annual gross campaign revenue and expenses for UWW, has substantially ceased its campaign operations effective June 30, 2012. The remaining promises to give for the 2012/2013 campaign of $544,972 were recorded in 2013. Tri-State is managing one corporate 2013/2014 campaign. The remaining promises to give for this campaign of $7,918,458 were also recorded in 2013. Funds for the 2011/2012 and 2012/2013 campaigns were disbursed to participating United Ways during 2013. During 2013, Tri-state recorded additional campaign revenue from 2012/2013 campaign contributions received from corporations that were not fully transitioned to a participating United Way or from corporations without an assigned United Way. These funds were disbursed to participating United Ways during 2013. A final close out of the remaining Tri-State funds and a final payout to the participating United Ways is expected by December 2014.

United Way Store (UW Store) was a wholly owned, for-profit subsidiary of UWW. UW Store's purpose was to provide sales fulfillment services of branded promotional products to local United Ways, UWW, and other organizations. UW Store, which generated approximately $3 million of annual promotional product sales in 2012, ceased its operations on February 28, 2013 and was dissolved on July 17, 2013.

As of January 1, 2012, UWW held a 49% ownership interest in Truist, Inc. (Truist), an organization that provides online giving and integrated pledge processing and fund distribution services for corporate philanthropic programs. Prior to 2012, the investment in Truist was impaired and was valued at $0. On July 31, 2012, Truist merged with Truist Holdings, LLC and Truist continued as the surviving corporation. As part of the merger transaction, the outstanding notes and accrued interest payable by Truist to UWW were converted into preferred stock, increasing UWW's ownership interest in Truist to 53.80%. UWW sold its ownership interest in Truist on August 1, 2012 for a gain of $3,314,542 and invested $243,529 in a smaller ownership interest in Truist of 14.8%.

United Way Worldwide (Asia) Limited (UWW Asia) is a wholly owned subsidiary of UWW incorporated in Hong Kong on January 19, 2010. UWW Asia obtained tax exempt status on March 21, 2011. UWW Asia's mission is to support UWW in its work in the Asia Pacific Region of the world. On November 12, 2013, UWW Asia commenced its operations.

Consolidation Policy

The consolidated financial statements include the accounts of UWW, UW Store, and UWW Asia (collectively referred to as "the Organization"). Significant transactions between the companies, including all intercompany balances, have been eliminated in consolidation. On February 28, 2013, UW Store ceased its operations and was dissolved on July 17, 2013.

Basis of Accounting

The consolidated 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 $3.9 billion to the Department of Homeland Security's 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 Program (EFSP), a separate congressionally authorized program of FEMA, which is not consolidated into the Organization's financial statements. UWW was appointed fiscal agent for EFSP. In addition to UWW, other members of the national board include the American Red Cross; Catholic Charities USA; the Jewish Federations of North America; the National Council of Churches of Christ in the U.S.A.; the Salvation Army; 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 EFSP totaling $289,000 and $286,000 for the years ended December 31, 2013 and 2012, respectively. In 2013 and 2012 approximately $117,559,000 and $37,521,000, respectively, were distributed in the form of grants to other charitable organizations. As of December 31, 2013 and 2012, undistributed balances of $3,395,702 and $2,236,540, respectively, were included in custodial funds, with a corresponding liability in the accompanying consolidated statements of financial position.

As of December 31, 2013 and 2012, UWW's custodial funds totaled $4,748,462 and $5,426,685, respectively. This total as of December 31, 2013 and 2012 included $81,440 and $1,690,230, respectively, designated for amounts raised on behalf of others. Short term custodial funds consist of cash and cash equivalents. Long term custodial funds consist of U.S. Government agency notes, U.S. Treasury notes, common collective trusts, corporate bonds and equity securities.

UWW acts as trustee for certain planned giving investments. Annuity payments are made to the donor and any residual restricted by the donor benefits LUW's. For the years ended December 31, 2013 and 2012, $1,271,320 and $1,499,915, respectively, of such annuities are included as noncurrent custodial assets and noncurrent custodial liabilities.

Under the Tri-State 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 participating Local United Ways is recorded when the formula calculation is finalized and approved by the Finance Committee of the UWW Board of Trustees (the Board). The 2012/2013 campaign distribution is reflected in the consolidated statements of activities as part of the campaign and public relations program services 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 include the balance of undesignated funds from the 2012/2013 campaign yet to be paid. All of the campaign pledges from the 2013/2014 campaign are designated and will be distributed to specific organizations; therefore, there is no formula distribution to participating local United Ways.

Local United Way Receivables

Local United Way (LUW) receivables 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 Tri-State. The allowance for doubtful accounts is calculated based upon historical collection information 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 2.67% and 2.72% for pledges received in 2013 and 2012, respectively. The discount will be recognized as contributions revenue in future fiscal years as the discount is amortized 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 fundraising 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. Accounts receivable are written off if reasonable collection efforts prove unsuccessful.

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 $29,878 of obsolete inventory for the year 2012 and had an allowance of $28,107 at December 31, 2012.

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.

Property and Equipment

Property and equipment are recorded at cost. The Organization capitalizes expenditures for property and equipment in excess of certain thresholds specified below. Depreciation and amortization are calculated using the straight-line method over the following useful lives:

	UWW
Building	35 years
Furniture, equipment, and software	3-7 years
Leasehold improvements, and/or building improvements, and capital leases	5-15 years
Capitalization threshold	$ 2,500

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.

UWW has art work valued at $256,450 that is not considered to be a collection as per Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 958-360-25, *Works of Art, Historical Treasures and Similar Items*. The art work is included in property and equipment in the consolidated statements of financial position. The art work was appraised in 1994 and is recorded at the appraisal value. As per FASB ASC Topic 958-360-35, the art work is not depreciated.

Investment in Truist

The investment in Truist is reported at fair value that reflects the present value of Truist's projected future cash inflows and earnings, which approximates its carrying value of $243,529 at December 31, 2013 and 2012.

Noncurrent Assets

Other noncurrent assets include 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 will continue until an undeterminable date in the future. Also included in noncurrent assets are the cash surrender value of life insurance contracts and the plan assets of UWW's deferred compensation plan which are stated at net asset value, which approximates the 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.

Deferred Revenue

Deferred revenue consists of training programs and conferences as well as deferred service revenue. The Organization recognizes training programs and conference revenues upon their completion. All unexpended training programs and conference and service revenues at year end are deferred and recognized when the related expenditures occur.

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, established 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 U.S. 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 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.

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 actions of the Organization. The restrictions stipulate that resources be maintained permanently but permit the Organization to expend the income generated in accordance with the provisions of the agreement.

Revenue Recognition

UWW Membership Revenue

Membership revenue is recorded ratably over the calendar year membership term. Membership of UWW allows local United Ways to use the name owned by UWW, during the period of membership. Membership support is based on a formula driven process. If any LUW does not remit its annual membership support, the LUW's ability to utilize the United Way name can be revoked. Membership revenue is recognized net of training credits 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, 2013 and 2012, the amount of the deferred training credit was $2,380,140 and $2,568,848, 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, 2013 and 2012, UWW had received conditional promises to give totaling $5,800,000 for the renovation of the office building in Alexandria, Virginia.

Temporarily restricted campaign efforts, as shown in the consolidated statements of activities, reflect the portion of the final campaign processed through Tri-State that was partially recognized in 2013. The 2012/2013 campaign, substantially distributed during 2013, consists of donations pledged by companies and their employees. 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 2012. The remaining promises to give for the 2012/2013 campaign were recorded in 2013 as supporting documentation became available. Similarly, for the 2013/2014 campaign only those pledges that provide both the documentation for the supporting unconditional promise to give and donor instructions on the use of funds were recorded at December 31, 2013.

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 2013 and 2012, unrestricted revenue was offset by additional expense of $5,794,881 and $650,637, respectively, recorded as adjustments from prior year campaigns and a change to the allowance for uncollectible pledges. The amounts are losses realized from less than anticipated pledge collections and an adjustment in the liability amounts raised on behalf of others for prior Tri-State campaigns. Included within the net assets released from restrictions in 2013 and 2012 are the total Tri-State 2012/2013 and 2011/2012 campaign efforts, respectively, as well as amounts raised on behalf of others and the change in allowance for uncollectible pledges.

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.

Donated Services and Materials

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 time contributed by Organization volunteers do not fall into the criteria established by the Financial Accounting Standards Board in this area.

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

The Organization records donated services at the fair market value of the services received.

Endowment

The Organization's endowment consists of one fund established for the purpose of providing home care and assisted living to the elderly poor, with specific reference to assisting older people to remain in their own homes. As required by generally accepted accounting principles, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of Relevant Law

The Board of Trustees has determined that an enacted version of the Uniform Prudent Management of Institutional Funds Act (UPMIFA) applies to the Organization's endowment fund. UPMIFA provides guidance and authority to charitable organizations concerning the management and investment of funds held by those organizations, and UPMIFA imposes additional duties on those who manage and invest charitable funds. These duties provide additional protections for charities and also protect the interests of donors who want to see their contributions used wisely.

The Organization classifies as permanently restricted net assets the original value of the gifts donated to the permanent endowment and the original 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, generally investment income, 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.

When a donor expresses intent clearly in a written gift instrument, the Organization follows the donor's instructions. When a donor's intent is not so expressed, the Organization shall spend an amount from the fund that is prudent, consistent with the purposes of the fund, relevant economic factors, and the donor's intent that the fund continues in perpetuity. As a result of the determination that an enacted version of UPMIFA applies in accounting for endowment funds, the Organization follows ASC 958-205, *Presentation of Financial Statements for Not-For-Profit Entities*.

Investment Policy Statement

The fundamental investment objectives for investments are to ensure safety and preservation of principal, meet liquidity needs, apply diversification and risk limits appropriate to the investment pools and achieve optimal net investment returns subject to the risk tolerance, investment pool objectives and policy constraints. The asset pools in which the endowment funds are invested require current income which is the minimum needed for expenses and prudent liquidity, growth of income for planning and execution of distributions, and capital growth for long term growth and sustainability.

Spending Policy Statement

In making expenditures from endowment funds, the Board of Trustees shall first comply with any restrictions or requirements in the gift instrument as to purpose and amount. Except as otherwise provided by the gift instrument, in making expenditures from endowment funds, the Board shall take into account all relevant considerations including, but not limited to, the long and short term needs of the Organization in carrying out its purposes, its present and anticipated financial requirements, expected total return on its investments, price level trends, and general economic conditions. The Board shall conduct an annual analysis of the historic dollar value of the endowment funds plus an inflation factor of three percent (3%) and may spend any amount in excess of inflation-adjusted historic dollar value so long as such amount is attributable to net realized gains from any property or unrealized gains attributable to marketable securities.

In order to provide for consistent expenditures from endowment funds from year to year, the Board may elect to adopt a “take-down” schedule that would provide for expenditure of a specified percentage of the three year’s end of year average of the Fund’s market value of donor restricted funds, subject to the limitations of the gift instruments and applicable state law, not to exceed the amount that could be expended under the provisions above. The Board is not required to appropriate any amount.

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. The majority of financial investments are held in trust in the name of UWW which protects against credit risk of the financial institution holding the investments. There is also limited credit risk associated with LUW, campaign, contributions and accounts receivable. The credit risk with respect to receivables is limited because the Organization deals with a large number of LUW’s, donors and customers in a wide geographic area.

Reclassifications

Certain accounts in the 2012 consolidated financial statements have been reclassified to conform with the current year consolidated financial statement presentation.

1. Uninsured Cash and Cash Equivalents

The Organization maintains its cash balances at several financial institutions which, at times, may exceed federally insured limits. On November 9, 2010, the Federal Deposit Insurance Corporation (FDIC) Board of Directors issued a final rule to implement Section 343 of the "Dodd-Frank Wall Street Reform and Consumer Protection Act" that provides temporary unlimited deposit insurance coverage for non-interest bearing transaction accounts at all FDIC-insured depository institutions. The separate coverage for non-interest-bearing transaction accounts became effective on December 31, 2011 and terminated on December 31, 2012. Beginning 2013, insurance coverage reverted to $250,000 per depositor at each financial institution and the non-interest bearing cash balances may again exceed federally insured limits. At December 31, 2013 and 2012, the Organization held $4,654,909 and $6,628,903, respectively, in uninsured cash and cash equivalents. The Organization has not experienced any losses in such accounts and believes it is not exposed to significant credit risk on its cash and cash equivalents.

2. Investments

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

December 31,	**2013**	2012
Corporate bonds	**$ 7,692,625**	$ 7,495,552
Government agency notes	**7,593,963**	4,913,885
Equity securities	**4,673,888**	3,136,698
Bond funds	**2,688,316**	2,530,218
U.S. Treasury notes	**749,281**	507,846
Corporate stocks	**20,240**	95,809
	23,418,313	18,680,008
Less: short-term investments	**4,570,084**	7,789,020
	$ 18,848,229	$ 10,890,988

Interest income for the years ended December 31, 2013 and 2012 was $375,092 and $476,639, respectively. The related investment expenses of $58,823 and $57,232 for the years ended December 31, 2013, and 2012, respectively, are included in the general and administrative expenses of the consolidated statements of activities. The realized and unrealized gain for the years ended December 31, 2013 and 2012 was $723,947 and $268,018, respectively.

3. Custodial Funds

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

December 31,	**2013**	2012
Cash and cash equivalents	**$ 3,477,142**	$ 3,926,770
Equity securities	**108,027**	318,329
Corporate bonds	**127,398**	325,574
U.S. Government agency notes	**302,336**	230,586
U.S. Treasury notes	**286,535**	198,020
Common collective trusts	**447,024**	427,406
	4,748,462	5,426,685
Less: short-term custodial funds	**3,477,142**	3,926,770
	$ 1,271,320	$ 1,499,915

4. Fair Value Measurements

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 Measurements*, 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.

A summary of investments and custodial fund investments summarized by input level as of December 31, 2013 is as follows:

December 31,	**Level 1**	**Level 2**	**Total**
Investments:			
Corporate bonds			
Large cap	$ 7,692,625	$ -	$ 7,692,625
Equity securities			
Large cap	2,511,916	-	2,511,916
Mid cap	1,028,795	-	1,028,795
Small cap	341,686	-	341,686
International	558,968	-	558,968
Emerging markets	232,523	-	232,523
Government agency notes	7,593,963	-	7,593,963
U.S. Treasury notes	749,281	-	749,281
Bond funds	1,766,596	921,720	2,688,316
Corporate stocks	20,240	-	20,240
Total investments	$ 22,496,593	$ 921,720	$ 23,418,313
Custodial funds:			
Equity securities			
Large cap	$ 108,027	$ -	$ 108,027
Corporate bonds			
Large cap	127,398	-	127,398
U.S. Government agency notes	302,336	-	302,336
U.S. Treasury notes	286,535	-	286,535
Common collective trusts	-	447,024	447,024
Total custodial funds	$ 824,296	$ 447,024	$ 1,271,320

A summary of investments and custodial fund investments summarized by input level as of December 31, 2012 is as follows:

December 31,	**Level 1**	**Level 2**	**Total**
Investments:			
Corporate bonds			
Large cap	$ 7,495,552	$ -	$ 7,495,552
Equity securities			
Large cap	1,783,643	-	1,783,643
Mid cap	432,209	-	432,209
Small cap	219,724	-	219,724
International	467,161	-	467,161
Emerging markets	233,961	-	233,961
Government agency notes	4,913,885	-	4,913,885
U.S. Treasury notes	507,846	-	507,846
Bond funds	1,657,785	872,433	2,530,218
Corporate stocks	95,809	-	95,809
Total investments	$ 17,807,575	$ 872,433	$ 18,680,008
Custodial funds:			
Equity securities			
Large cap	$ 318,329	-	$ 318,329
Corporate bonds			
Large cap	325,574	-	325,574
U.S. Government agency notes	230,586	-	230,586
U.S. Treasury notes	198,020	-	198,020
Common collective trusts	-	427,406	427,406
Total custodial funds	$ 1,072,509	$ 427,406	$ 1,499,915

The fair market value of a financial instrument is defined in FASB ASC Topic 825, *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 are based on a non-recurring assessment of fair value.

Level 2 Valuation Process

Bond Funds

The bond funds' primary investment objective is to provide as high a level of current income over time as is believed to be consistent with prudent investment risk. A secondary objective is preservation of capital. The underlying fund seeks to achieve its objective by investing primarily in investment-grade, publicly traded debt securities, such as bonds, U.S. government and agency securities, including mortgage-backed securities and zero coupon securities. Preservation of shareholder capital is a secondary objective.

The bond funds' net asset value is equal to the sum of the value of the securities the fund holds plus cash or other assets including interest or dividends accrued minus liabilities including accrued expenses. The net asset value of the fund is determined daily based upon the market price of underlying debt securities.

Common Collective Trusts

The fund seeks to achieve its investment objective by investing substantially all of its assets in the portfolio, the "master fund" that has the same investment objective as, and investment policies that are substantially similar to those of, the fund. This is commonly referred to as a "master/feeder" complex, with the fund serving as the "feeder" fund and the portfolio serving as the "master" fund. The portfolio uses a passive management strategy designed to track the performance of the S&P 500.

The portfolio is not managed according to traditional methods of "active" investment management, which involve the buying and selling of securities based upon economic, financial and market analysis and investment judgment. Instead, the portfolio utilizes a "passive" or "indexing" investment approach, attempting to replicate the investment performance of the S&P 500 Index, before expenses.

The value of individual instruments held by the fund generally are valued at:

- Market value (generally determined at the closing time of the market on which they are traded);
- Fair value (when market quotations are not readily available or subsequent events suggest the market quotation no longer is reliable); and
- Amortized cost (for debt securities maturing within 60 days).

Additionally, the Organization's investment advisor performs on-going due diligence of the funds which includes benchmarking and comparing the results of the fund to certain indexes. The Organization's investment advisor meets periodically with the Organization's Investment and Pension Committee and reports the performance of the fund.

There were no changes in valuation techniques noted for the bond funds and common collective trusts for 2013 and 2012.

Net Asset Value (NAV) Per Share

In accordance with Accounting Standards Update (ASU) 2009-12, *Fair Value Measurements and Disclosures (ASC Topic 820) – Investment in Certain Entities that Calculate Net Asset Value per Share (or Its Equivalent)*, the Organization expanded its disclosures to include the class, fair value, redemption frequency, and redemption notice period for those assets whose fair value is estimated using the net asset value per share or its equivalent for which fair value is not readily determinable, as of December 31, 2013 and 2012.

The following table sets forth a summary of the Organization's investments with a reported NAV as of December 31, 2013:

Investment Type	Fair Value	Unfunded Commitments	Redemption Frequency	Notice Period (Days)
Bond funds	**$921,720**	**$ -**	**Daily**	**1**

The following table sets forth a summary of the Organization's investments with a reported NAV as of December 31, 2012:

Investment Type	Fair Value	Unfunded Commitments	Redemption Frequency	Notice Period (Days)
Bond funds	$ 872,433	$ -	Daily	1

The bond funds' objectives are to provide a reasonable level of current income over time and to preserve capital. The funds are invested in investment-grade, publicly traded debt securities such as bonds, U.S. government and agency securities.

5. Local United Way Receivables

Local United Way receivables consist of the following at:

December 31,	**2013**	2012
Local United Way receivables	**$ 913,092**	$ 921,868
Allowance for doubtful accounts	**(37,620)**	(29,485)
Local United Way receivables, net	**$ 875,472**	$ 892,383

Bad debt expense is determined based on management's judgment, including such factors as prior collection history. There was no bad debt expense for the years ended December 31, 2013 and 2012 related to local United Way receivables.

6. Campaign Receivables

Campaign receivables and allowance for uncollectible pledges consist of the following at:

December 31,	**2013**	2012
Amounts raised on behalf of others	**$ 7,262,888**	$ 6,499,756
Unrestricted campaign receivables	**94,059**	11,546,044
Total campaign receivables	**$ 7,356,947**	$ 18,045,800

December 31,	2013	2012
Campaign receivables, gross	$ 8,006,947	$ 20,991,238
Allowance for uncollectible pledges	(650,000)	(2,945,438)
Campaign receivables, net	$ 7,356,947	$ 18,045,800

7. Contributions Receivable

Contributions receivable consist of the following unconditional promises to give at:

December 31,	2013	2012
Amounts due in:		
Less than one year	$ 3,270,029	$ 4,160,318
One to five years – net of discount	135,000	515,584
Total contributions receivable	3,405,029	4,675,902
Less: allowance for doubtful accounts	(142,751)	(344,552)
	3,262,278	4,331,350
Less: contributions receivable current	3,127,278	3,815,766
Contributions receivable – noncurrent	$ 135,000	$ 515,584

There was no bad debt expense for the years ended December 31, 2013 and 2012 related to contributions receivable.

8. Accounts Receivable

Accounts receivable consist of the following at:

December 31,	2013	2012
Accounts receivable	$ 526,129	$ 590,472
Allowance for doubtful accounts	(21,991)	(51,508)
Total	$ 504,138	$ 538,964

Bad debt expense (recovery) related to accounts receivable totaled $2,035 and ($20,950) for the years ended December 31, 2013 and 2012, respectively.

9. Note Receivable

On August 1, 2012, UWW made a loan to Truist for $538,000 with an interest rate of 5% per annum and a maturity date of May 31, 2017. The note is part of the total consideration for the sale of the investment in Truist in 2012 and is subordinated to Truist's obligations to its lenders under any line of credit, working capital loan or similar loans. The balance of the note receivable and accrued interest at December 31, 2013 and 2012 was $576,176 and $556,041, respectively. The note was subsequently collected on February 28, 2014 (see Note 26).

10. Property and Equipment

Property and equipment consists of the following at:

December 31,	**2013**	2012
Land	**$ 2,102,080**	$ 2,102,080
Building and building improvements	**25,064,540**	24,972,728
Leasehold improvements	**-**	8,055
Furniture, artwork, equipment, and software	**9,370,703**	9,256,320
	36,537,323	36,339,183
Less: accumulated depreciation and amortization	**(20,999,754)**	(20,045,943)
	$ 15,537,569	$ 16,293,240

Depreciation and amortization expense totaled $1,310,059 and $1,600,122 for the years ended December 31, 2013 and 2012, respectively.

11. Debt

In August 2012, UWW's line-of-credit was amended and renewed. The expiration date on the line-of-credit was extended until August 2014. Borrowing limits on the line-of-credit are a maximum of $2,000,000. The interest rate on the line-of-credit remained at LIBOR plus 2.0%. There were no borrowings under the line-of-credit as of December 31, 2013 and 2012. UWW incurred no interest expense for the years ended December 31, 2013 and 2012.

On December 18, 2009, UWW agreed to a construction loan up to $6,000,000 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, 2013 and 2012, $3,506,000 had been advanced on the loan. During the years ended December 31, 2013 and 2012, UWW made principal payments of $206,000 and $1,600,000, respectively. As of December 31, 2013 and 2012, the outstanding loan balance was $500,000 and $706,000, respectively. The loan balance was paid in full on January 17, 2014. The interest rate as of December 31, 2013 and 2012 was 2.67% and 2.71%, respectively. Interest expense was $18,090 and $53,470 for the years ended December 31, 2013 and 2012, respectively.

UWW was in compliance with all debt covenants as of December 31, 2013. The principal of the loan matures in accordance with the maximum amount of outstanding principal.

According to the loan agreement, 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	$ -

12. 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 partially frozen as of the effective date of the change and precluded new employees from participating in the UWW Plan.

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

Effective April 30, 2013, UWW assumed UW Store's portion of the liability and expense of the UWW Plan.

Effective December 31, 2013, the benefit levels of participants in the UWW Plan were completely frozen as of the effective date of the change.

The following is a summary of the funded status of the UWW Plan as of December 31, 2013 and 2012 and the key assumptions used by the UWW Plan's actuary. The calculations are performed based on measurement dates of December 31, 2013 and December 31, 2012 for the years ended December 31, 2013 and 2012, respectively.

Obligations and Funded Status

December 31,	**2013**	2012
Accumulated benefit obligation	**$ 40,361,917**	$ 44,105,803
Projected benefit obligation	**$ 40,361,917**	$ 45,325,470
Fair value of plan assets	**35,666,439**	32,554,184
Funded status – under funded	**(4,695,478)**	(12,771,286)
Underfunded pension liability	**$ 4,695,478**	$ 12,771,286

Items not yet recognized as a component of net periodic pension cost during the year are as follows:

Years ended December 31,	**2013**	2012
Gain due to assets	**$ (1,514,076)**	$ (1,535,705)
(Gain) loss due to changed discount rate,rate of compensation change and other assumptions	**(4,281,204)**	3,354,915
Loss (gain) due to participant experience	**229,844**	(1,296,697)
Effect of curtailment	**(952,660)**	-
Total	**$ (6,518,096)**	$ 522,513

There has been a plan curtailment during the year ended December 31, 2013 due to the full freeze of the UWW Plan as of December 31, 2013. The effect of the curtailment is a reduction in the projected benefit obligation and therefore a lower underfunded liability as well as a reduction in the net periodic pension cost recognized in 2013.

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

Years ended December 31,	**2013**	2012
Employer contributions	**$ 1,000,000**	$ 1,582,125
Benefits paid	**$ 1,745,211**	$ 1,201,480

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, 2013 and 2012 were:

Years ended December 31,	**2013**	2012
Interest cost	**$ 1,785,679**	$ 1,930,317
Expected return on assets	**(2,343,390)**	(2,114,931)
Amortization of loss	**1,782,814**	1,922,266
Net periodic benefit cost	**$ 1,225,103**	$ 1,737,652

Assumptions

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

Years ended December 31,	**2013**	2012
Benefit Obligation:		
Discount rate	**4.75%**	4.00%
Rate of compensation increase	**3.25%**	3.25%
Expected return on plan assets	**7.25%**	7.75%
Net Periodic Benefit Cost:		
Discount rate	**4.00%**	4.60%
Rate of compensation increase	**3.25%**	3.75%
Expected return on plan assets	**7.75%**	7.75%

The expected long-term rate of return on assets assumption was 7.25% and 7.75% as of December 31, 2013 and 2012, respectively. 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 to reflect 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 class as of December 31, 2013 and 2012 were:

December 31,	**2013**	2012
Pooled separate accounts - bond funds	**$ 17,284,135**	$ 10,957,155
Pooled separate accounts - equity securities	**18,382,304**	21,597,029
Total	**$ 35,666,439**	$ 32,554,184

The fair market value of plan assets, consisting of pooled separate accounts, qualified as Level 2 investments under the FASB ASC Topic 820 hierarchy. The units held in pooled separate accounts are valued at the unit values as reported by the UWW Plan trustee as of December 31, 2013 and 2012. 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. In 2012, UWW adopted a Dynamic Asset Allocation strategy. Asset allocations will change in accordance with funded attainment levels. As of December 31, 2013, the targeted asset allocation was 45% equities and 55% fixed income based upon a funded status of greater than 90% based on market value and the funding target liability on a full Internal Revenue Service (IRS) yield curve. 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 amortization of the net actuarial loss during the year ended December 31, 2014 is $887,685.

The following benefit payments are expected to be paid as follows:

Years ending December 31,	
2014	$ 1,530,000
2015	$ 1,640,000
2016	$ 1,730,000
2017	$ 1,970,000
2018	$ 2,110,000
2019 – 2023	$ 11,880,000

The UWW Plan is positioned to meet the minimum funding requirement as outlined in the Pension Protection Act of 2006. As of January 1, 2013, 98.62% of the Funding Target Liability for the UWW Plan was funded. 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.

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. This 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, 2013 and 2012 and the key assumptions used by the actuary. The calculations are performed based on measurement dates of December 31, 2013 and December 31, 2012 for the years ended December 31, 2013 and 2012, respectively.

Obligations and Funded Status

December 31,	**2013**	2012
Projected benefit obligation	**$ 2,032,261**	$ 2,149,969
Fair value of plan assets	**85,003**	84,075
Funded status – under funded	**$ (1,947,258)**	$ (2,065,894)
Unfunded pension liability	**$ 1,947,258**	$ 2,065,894

The Organization has a segregated account specifically for funding the SERP. The balance in the account was $1,629,074 and $1,301,041 as of December 31, 2013 and 2012, respectively. This account balance is not included in the calculation of the unfunded pension liability.

Items not yet recognized as a component of net periodic pension cost as of December 31, 2013 and 2012 are as follows:

December 31,	**2013**	2012
Loss due to assets	**$ 1,107**	$ 600
(Gain) loss due to change in discount rate, rate of compensation increase and other assumptions	**(218,576)**	168,403
Loss due to participant experience	**39,584**	134,437
Total	**$ (177,885)**	$ 303,440

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

Years ended December 31,	**2013**	2012
Employer contributions	**$ 10,726**	$ 34,597
Benefits paid	**$ 10,726**	$ 34,597

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,	**2013**	2012
Interest cost	**$ 72,009**	$ 82,302
Expected return on assets	**(2,035)**	(1,961)
Amortization of loss	**265,765**	63,448
Effect of special events	**-**	(52,030)
Net periodic benefit cost	**$ 335,739**	$ 91,759

Assumptions

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

Years ended December 31,	**2013**	2012
Benefit Obligation:		
Discount rate	**4.75%**	4.00%
Rate of compensation increase	**2.00%**	3.25%
Expected return on plan assets	**2.60%**	2.60%
Net Periodic Benefit Cost:		
Discount rate	**4.00%**	4.60%
Rate of compensation increase	**3.25%**	3.75%
Expected return on plan assets	**2.60%**	2.60%

The expected long-term rate of return on assets assumption was 2.60% as of December 31, 2013 and 2012. 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 to reflect 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:

December 31,	**2013**	2012
Cash	**$ 85,003**	$ 84,075

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 amortization of the net actuarial loss during the year ended December 31, 2014 is $21,309.

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

Years ending December 31,	
2014	$ 687,800
2015	$1,186,800
2016	$ 16,700
2017	$ 16,700
2018	$ 17,400
2019 – 2023	$ 74,000

The Organization does not expect to make contributions to the Non-Qualified Plans in 2014.

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*, 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

Tri-State 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, 2013 and 2012 and the key assumptions used by the actuary. The calculations are performed based on measurement dates of December 31, 2013 and December 31, 2012 for the years ended December 31, 2013 and 2012, respectively.

Obligations and Funded Status

December 31,	**2013**	2012
Accumulated benefit obligation	**$ 2,130,524**	$ 2,285,420
Fair value of plan assets	**-**	-
Funded status – under funded	**$ (2,130,524)**	$ (2,285,420)
Unfunded pension liability	**$ 2,130,524**	$ 2,285,420

Items not yet recognized as a component of net periodic pension cost as of December 31, 2013 and 2012 are as follows:

December 31,	**2013**	2012
(Gain) loss due to change in discount rate, rate of compensation increase and other assumptions	**$ (144,200)**	$ 120,403
Gain in participant experience	**(15,266)**	(349,606)
Total	**$ (159,466)**	$ (229,203)

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

Years ended December 31,	**2013**	2012
Employer contributions	**$ 104,298**	$ 148,975
Benefits paid	**$ 104,298**	$ 148,975

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,	**2013**	2012
Service cost	**$ 20,612**	$ 24,655
Interest cost	**88,256**	111,259
Net amortization		
Amortization of prior service cost	**25,272**	25,272
Amortization of net gain	**(61,567)**	(39,192)
Net periodic benefit cost	**$ 72,573**	$ 121,994

Assumptions

The weighted average assumptions were:

	2013	2012
Measurement date	**December 31, 2013**	December 31, 2012
Discount rate	**4.75%**	4.00%

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 ending December 31, 2014:

	2014
Prior service cost	$ 25,272
Net actuarial gain	$ (72,215)

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

Years ending December 31,	
2014	$ 167,000
2015	$ 167,000
2016	$ 168,000
2017	$ 188,000
2018	$ 187,000
2019 – 2023	$ 860,000

UWW plans to make contributions amounting to $167,000 during 2014 to the Postretirement Plans.

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 Employee Retirement Income Security Act (ERISA) and the Internal Revenue Code (IRC). The projected benefit is estimated to be $298,980 and $327,333, which is accrued as of December 31, 2013 and 2012, respectively. Pension (income) expense for these benefits amounted to $(28,353) and $18,617 for the years ended December 31, 2013 and 2012, respectively.

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

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

December 31,	**2013**	2012
UWW Plan	**$ 4,695,478**	$ 12,771,286
Non-qualified plans	**1,947,258**	2,065,894
Tri-State Make-up Plan	**298,980**	327,333
Total recognized liability	**$ 6,941,716**	$ 15,164,513
Current portion, liability for pension benefits	**$ 1,587,900**	$ 1,437,900
Noncurrent portion, liability for pension benefits	**5,353,816**	13,726,613
Total liability for pension benefits	**$ 6,941,716**	$ 15,164,513

The following table presents a reconciliation of the components of the postretirement benefit plans to the presentation in the consolidated financial statements at:

December 31,	**2013**	2012
Postretirement benefit plans	**$ 2,130,524**	$ 2,285,420
Current portion, postretirement benefits	**$ 167,000**	$ 158,000
Noncurrent portion, postretirement benefits	**1,963,524**	2,127,420
Total postretirement benefits	**$ 2,130,524**	$ 2,285,420

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

Years ended December 31,	**2013**	2012
UWW Plan	**$ (6,518,096)**	$ 522,513
Non-Qualified Plans	**(177,885)**	303,440
Postretirement Plans	**(159,466)**	(229,203)
Total change in unrecognized (gain) loss recognized apart from expenses	**$ (6,855,447)**	$ 596,750

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 $1,107,303 and $1,275,442 for the years ended December 31, 2013 and 2012, respectively.

United Way Store 401(k) Plan

In 1997, UW Store approved a 401(k) plan for all employees. UW Store accrued contributions of $0 for the plan in 2013 and 2012, respectively. The Plan was terminated on March 20, 2013. Participant balances were rolled over to other individual investment accounts on behalf of the participants and the plan assets were $0 as of May 17, 2013.

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, 2013 and 2012, the assets of $293,368 and $231,443, 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, 2013 and 2012 of $293,368 and $231,443, respectively, for this plan are reflected in the consolidated statements of financial position as deferred compensation liability. UWW's contributions to this plan were $40,094 and $41,288 for the years ended 2013 and 2012, 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, 2013 and 2012, the assets of $228,702 and $225,753, 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 $741,358 and $809,122 for the years ended December 31, 2013 and 2012, respectively.

13. Grants Payable

The grants payable balance consists of a ten-year grant relationship with another organization that ends on September 30, 2017 and two additional grants payable on September 1, 2014.

The future payments of the grants payable are as follows:

Years ending December 31,	
2014	$ 223,643
2015	131,750
2016	144,795
2017	157,466
Total grants payable	657,654
Less: current portion	223,643
Grants payable, noncurrent	$ 434,011

14. Endowment Funds

In accordance with FASB ASC Topic 958-205, net assets of the endowment fund are classified and reported based on the existence or absence of donor-imposed restrictions. During 2010, UWW received a $4,617,000 contribution, net of expenses, from a trust. $1,000,000 of the contribution was used during 2010 for the creation of a center on aging adults, as a specialized training and conference resource within the Mary Gates Learning Center. The remaining contribution was put in a permanent endowment for the purpose of providing home care and assisted living to the elderly poor, with specific reference to assisting older people to remain in their own homes, as directed by the donor. During 2013 and 2012, UWW received an additional $1,541 and $119,508, respectively, from the trust for the same purpose. As of December 31, 2013 and 2012, UWW had permanently restricted net assets of $3,791,087 and $3,789,546, respectively. For the years ended December 31, 2013 and 2012, the permanently restricted endowment fund generated a net investment gain of $542,228 and $290,368, respectively, which was included in temporarily restricted net assets.

15. Board Designated 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. UWW's unrestricted board designated endowment funds totaled $892,787 and $887,188 at December 31, 2013 and 2012, respectively. The board designated funds generated $5,599 and $18,464 of additional contributions and net interest for the years ended December 31, 2013 and 2012, respectively.

16. International Donor Advised Giving (IDAG) Funds

Unrestricted contributions include $35,238,144 and $32,864,920 of IDAG contributions for the years ended December 31, 2013 and 2012, respectively. There were $35,378,750 and $32,777,905 of IDAG grants for the years ended December 31, 2013 and 2012, respectively, included in International Donor Advised Giving program service expenses in the consolidated statements of activities.

17. Unrestricted Net Assets

Unrestricted net assets by entity were as follows at:

December 31,	**2013**	2012
United Way Worldwide	**$ 24,255,137**	$ 21,404,552
United Way Store	**-**	(1,616,679)
Total unrestricted net assets	**$ 24,255,137**	$ 19,787,873

18. Temporarily Restricted Net Assets

Temporarily restricted net assets were restricted for the following purposes at:

December 31,	**2013**	2012
Economic self-sufficiency	**$ 1,854,128**	$ 2,561,684
Training and research	**1,687,969**	1,284,087
Initiative to benefit children and families	**1,474,052**	2,307,027
Global initiative	**1,345,838**	1,462,953
Building initiative	**1,000,000**	-
International support	**717,711**	245,566
Leadership coalition	**366,751**	472,135
Campaign, public relations and network support	**240,000**	6,429,034
Disaster response and recovery	**89,701**	1,155,003
Sponsorships to UWW events	**17,500**	-
Scholarships	**4,658**	5,835
Other	**783**	505
Total temporarily restricted net assets	**$ 8,799,091**	$ 15,923,829

19. Net Assets Released from Restrictions

Temporarily restricted net assets released from restrictions were:

Years ended December 31,	**2013**	2012
Campaign, public relations and network support	**$ 7,058,562**	$ 5,644,081
Economic self-sufficiency	**4,920,916**	4,270,800
Initiative to benefit children and families	**1,688,425**	1,491,782
Training and research	**1,566,483**	1,423,232
Disaster response and recovery	**1,104,895**	6,966,805
International support	**915,569**	197,032
Global initiative	**557,116**	1,402,131
Leadership coalition	**334,284**	290,080
Scholarships	**3,977**	11,105
Sponsorships to UWW Events	**-**	167,000
Net assets released from restrictions	**$ 18,150,227**	$ 21,864,048

20. 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

The United Way Worldwide Investor Relations team provides support for United Way Member Organizations and United Way network-wide programs including Global Corporate Leadership, international activities, major gifts, Alexis de Tocqueville program, planned giving, and community and public sector campaigns.

International Donor Advised Giving

The United Way Worldwide International Donor Advised Giving Program (IDAG) facilitates grants to international organizations of a donor's choosing or can propose opportunities that meet programmatic or geographic interests. Through IDAG, donors can provide grants to a variety of charitable organizations, such as schools, orphanages, hospitals, community development and research centers and a network of United Ways around the world. Grants can be used for charitable purposes in a particular country, region or field of interest and support a specific charitable organization outside the United States.

International Network

The United Way Worldwide International Network team provides governance, resource development, program and capacity building support to United Way members throughout the worldwide network. With regional offices in Colombia, Ghana and Switzerland, network staff works closely with local United Way staff and volunteer board members.

U.S. Network

The United Way Worldwide U.S. Network team provides support for grant distribution services, community building, national agencies' support, volunteer development, early childhood development, financial stability, 2-1-1® initiative and Born Learning®. It also provides regional and technical consultative support to local United Ways, coordination of national activities at the regional level, and crisis response.

Community Impact and Strategy

The United Way Worldwide Community and Impact Strategy team provides expansion opportunities and support for community impact and program solutions and products through the execution of the business model. It also develops a strategic plan based on an impact growth imperative, manages strategic initiatives, and creates a capacity to scale innovation across the United Way network.

Learning, Conferencing and Talent Management

The United Way Worldwide Learning and Conferencing team; and Talent Management team produce and provide training programs and learning opportunities for United Way volunteers, staff and partners through national conferences, regional meetings, webinars, social media platforms, virtual trainings, in-person organizational trainings and other opportunities.

Brand Strategy and Marketing

The United Way Worldwide Brand Strategy and Marketing team provides support in all brand identity and consistency matters including marketing, advertising and other promotional opportunities designed to build and strengthen trust for the United Way brand around the world. It also promotes media and public relations; manages the LIVE UNITED® campaign through production of videos, radio spots and other collateral materials; maintains the United Way/National Football League partnership including television spots; and promotes strong internal communications for the leadership organization and the network.

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 one 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.

Promotional Material Sales

In 2013, United Way Worldwide obtained a new primary vendor to replace the UW Store and began to provide licensing rights to other vendors to sell United Way promotional products. The United Way Worldwide Licensing team also sells some United Way products that are not available from alternative vendors. In 2012, UW Store provided sales and fulfillment services of United Way branded products to LUW's and corporations running United Way campaigns. The UW Store program service costs included cost of goods sold, related income taxes 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.

Fundraising

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

21. 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 expired November 30, 2013. UWW entered into a new lease for office space in New York City that expires on November 18, 2015. Leased office equipment includes the telephone system and computer components.

In May 2009, the UW Store entered into a five-year operating lease for office space in Alexandria, Virginia. The lease began October 1, 2009 and expires September 30, 2014. UW Store ceased its operations in February 2013 and terminated the lease as of February 28, 2013.

Rent expense for the years ended December 31, 2013 and 2012 was $221,207 and $672,581, respectively.

Future minimum lease payments under the operating leases are as follows:

Years ending December 31,	
2014	$ 127,378
2015	102,274
2016	77,976
Total	$ 307,628

22. 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 postage and other materials and amount to $32,423 and $19,101 for the years ended December 31, 2013 and 2012, respectively. These donations are reflected in the consolidated statements of activities.

UWW has maintained a mutually beneficial relationship with the National Football League (NFL) where UWW underwrites the cost to produce a Public Service Announcement (PSA) and halftime show for broadcast in NFL designated media. The PSA promotes education and features NFL players involved in various local United Way community volunteer activities. The halftime show provides brand awareness and positions United Way as a key NFL partner. The NFL furnishes the airtime throughout the year at no cost to United Way. The combined value of the donated airtime was estimated to be $4,430,000 and $10,000,000 for 2013 and 2012, respectively.

Airtime was also 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. The value of donated airtime to promote United Way is estimated to be $42,500,000 and $37,500,000 for 2013 and 2012, respectively.

UWW does not record the donations of airtime mentioned above because the donations are received on behalf and for the benefit of the LUW's. UWW records donations of airtime as an in-kind gift when UWW receives its future economic benefit.

23. Supplemental Disclosure of Cash Flows Information

	2013	2012
Cash paid during the year for interest	**$ 18,090**	$ 60,157

24. Income Taxes

UWW has received an exemption from the 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 $8,760 and $173,044 in royalty income from UW Store for the years ended December 31, 2013 and 2012, respectively. UWW filed IRS Form 990-T for 2011 but determined that the royalty income was not considered to be unrelated and did not file IRS Form 990-T for 2012 or 2013. UWW did not incur Federal and Virginia State income tax expense related to unrelated business income for the years ended December 31, 2013 and 2012, respectively.

The Organization follows the provisions of FASB ASC Topic 740-10, *Accounting for Income Taxes,* and management believes it has no material uncertain tax positions or any related penalties and interest to accrue for the years ended December 31, 2013 and 2012, and, accordingly, there is no liability for unrecognized tax benefits.

The Organization files IRS Form 990 annually with the Federal Government and is still open to examination by taxing authorities for fiscal year 2010 and later.

UW Store follows FASB ASC Topic 740-10, *Accounting for Income Taxes.* This statement requires the recognition of deferred tax liabilities and deferred tax assets, net of applicable valuation allowance, for certain temporary differences and net operating loss carry forwards. FASB ASC Topic 740-10 requires that the net deferred tax asset be reduced by a valuation allowance if, based on the weight of available evidence, it is more likely than not that some portion or all of the net deferred tax asset will not be realized.

During 2012, the Board decided that the UW Store would cease operations in early 2013, therefore, a valuation allowance was established in 2012 for the total amount of the deferred tax asset. The UW Store ceased its operations on February 28, 2013 and was dissolved on July 17, 2013. There is no current or deferred tax provision for 2013.

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 (benefit) for income taxes is included the following components for:

Years ended December 31,	**2013**	2012
Deferred tax benefit:		
Federal	**$ -**	$ (147,453)
State	**-**	(46,091)
Total deferred tax benefit	**-**	(193,544)
Valuation allowance	**-**	749,851
Total provision (benefit) for income taxes	**$ -**	$ 556,307

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 were as follows at:

December 31,	**2013**	2012
Unfunded pension	**$ -**	$ 299,956
Net operating loss carryover	**-**	422,819
Accounts receivable allowances	**-**	7,603
Tax depreciation and amortization	**-**	4,549
Accrued pension	**-**	3,231
Other	**-**	11,693
Net deferred tax asset	**-**	749,851
Valuation allowance	**-**	(749,851)
Net deferred tax asset	**$ -**	$ -

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

25. Loss on Closure of UW Store

On February 28, 2013, UW Store ceased its operations and was dissolved on July 17, 2013. Upon dissolution, UW Store's assets and liabilities were transferred to/assumed by UWW. The analysis of the loss on closure of UW Store, carrying value of the assets transferred, and the liabilities and deficit assumed were as follows:

Assets	
Cash and cash equivalents	$ 438,748
Net receivables	24,845
Total assets transferred to UWW	463,593
Liabilities and deficit	
Accrued liabilities	(130,037)
Liability for pension benefits	(676,850)
Net deficit	89,705
Total liabilities and deficit assumed by UWW	(717,182)
Loss on closure of UW Store	$ (253,589)

26. Subsequent Events

Truist Sale

On February 28, 2014, FrontStream Holdings, LLC and Truist signed a Stock Purchase Agreement for cash consideration of $12,000,000. As part of the transaction, UWW received cash of $970,706, a short-term receivable of $177,399 and a note receivable of $83,086 payable in one year. The cash was used to purchase UWW's investment in Truist valued at $243,529, to pay off the note receivable and related interest receivable from Truist amounting to $580,524, and to pay $100,000 related to a termination agreement for licensed software and other transaction expenses. The transaction resulted in a gain to UWW of approximately $300,000.

Management's Evaluation

The Organization has evaluated subsequent events through April 29, 2014, which is the date the consolidated financial statements were available to be issued. There were no other events that require adjustments to or disclosure in the Organization's consolidated financial statements for the year ended December 31, 2013.