

SUDDEN INFANT DEATH SYNDROME ALLIANCE, INC.
(d.b.a. – First Candle)

**Financial Statements Together with
Report of Independent Public Accountants**

For the Years Ended June 30, 2009 and 2008



SB & COMPANY, LLC
EXPERIENCE • QUALITY • CLIENT SERVICE

June 30, 2009 and 2008

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SB & COMPANY, LLC
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REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

To the Board of Directors
Sudden Infant Death Syndrome Alliance, Inc.

We have audited the accompanying statements of financial position of Sudden Infant Death Syndrome Alliance, Inc. (d.b.a. – First Candle) (First Candle) as of June 30, 2009 and 2008, and the related statements of activities and changes in net assets, cash flows and functional expenses for the years then ended. These financial statements are the responsibility of the management of First Candle. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of First Candle as of June 30, 2009 and 2008, and its changes in net assets and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

SB & Company, LLC

Hunt Valley, Maryland
October 8, 2009

SUDDEN INFANT DEATH SYNDROME ALLIANCE, INC.
(d.b.a. – First Candle)

Statements of Financial Position
As of June 30, 2009 and 2008

	<u>2009</u>	<u>2008</u>
ASSETS		
Cash and cash equivalents	\$ 1,793,925	\$ 1,506,190
Investments	453,498	377,660
Contributions receivable, net	7,695,072	9,024,521
Due from combined Federated campaign	117,340	117,340
Property and equipment, net	59,701	41,099
Prepaid expenses and other assets	49,054	38,157
Total Assets	\$ 10,168,590	\$ 11,104,967
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable	\$ 52,500	\$ 60,815
Accrued expenses	65,114	88,886
Deferred revenue	37,940	19,082
Due to member organizations	12,769	17,248
Obligations under capital leases	26,265	10,357
Total Liabilities	194,588	196,388
Net Assets		
Unrestricted	703,332	705,403
Temporarily restricted	9,270,670	10,203,176
Total Net Assets	9,974,002	10,908,579
Total Liabilities and Net Assets	\$ 10,168,590	\$ 11,104,967

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

SUDDEN INFANT DEATH SYNDROME ALLIANCE, INC.
(d.b.a. – First Candle)

Statement of Activities and Changes in Net Assets
For the Year Ended June 30, 2009 with Comparative Total for 2008

	2009			2008 Total
	Unrestricted	Temporarily Restricted	Total	
Revenue and Other Support				
Federated campaigns	\$ 100,216	\$ -	\$ 100,216	\$ 121,399
OID center grant	273,614	-	273,614	255,011
State and local grants	46,500	-	46,500	149,000
Other contributions	322,495	261,102	583,597	470,627
Special events	321,156	-	321,156	282,433
Corporate and foundations	493,492	264,243	757,735	10,773,806
Interest income	37,752	-	37,752	51,832
Miscellaneous income	8,992	-	8,992	14,601
Total Revenue	1,604,217	525,345	2,129,562	12,118,709
Net assets released from restriction	1,457,851	(1,457,851)	-	-
Total Revenue and Other Support	3,062,068	(932,506)	2,129,562	12,118,709
Expenses				
Program services	2,466,103		2,466,103	1,653,583
Support services:		-		
Management and general	233,223		233,223	191,640
Fundraising	364,813		364,813	323,788
Total support services	598,036		598,036	515,428
Total Expenses	3,064,139	-	3,064,139	2,169,011
Changes in net assets	(2,071)	(932,506)	(934,577)	9,949,698
Net assets, beginning of year	705,403	10,203,176	10,908,579	958,881
Net Assets, End of Year	\$ 703,332	\$ 9,270,670	\$ 9,974,002	\$10,908,579

The accompanying notes are an integral part of this financial statement.

SUDDEN INFANT DEATH SYNDROME ALLIANCE, INC.
(d.b.a. – First Candle)

Statement of Activities and Changes in Net Assets
For the Year Ended June 30, 2008

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Revenue and Other Support			
Federated campaigns	\$ 121,399	\$ -	\$ 121,399
OID Center grant	255,011	-	255,011
State grant	149,000	-	149,000
Other contributions	470,627	-	470,627
Special events	282,433	-	282,433
Grants, corporate, foundations, and affiliates	647,000	10,126,806	10,773,806
Interest income	51,832	-	51,832
Miscellaneous income	14,601	-	14,601
Total Revenue and Other Support	<u>1,991,903</u>	<u>10,126,806</u>	<u>12,118,709</u>
Net assets released from restriction	248,247	(248,247)	-
Total Income	<u>2,240,150</u>	<u>9,878,559</u>	<u>12,118,709-</u>
Expenses			
Program services	1,653,583	-	1,653,583
Support services			
Management and general	191,640	-	191,640
Fundraising	323,788	-	323,788
Total support services	<u>515,428</u>	<u>-</u>	<u>515,428</u>
Total Expenses	<u>2,169,011</u>	<u>-</u>	<u>2,169,011</u>
Changes in net assets	71,139	9,878,559	9,949,698
Net assets, beginning of year	634,264	324,617	958,881
Net Assets, End of Year	<u>\$ 705,403</u>	<u>\$ 10,203,176</u>	<u>\$ 10,908,579</u>

The accompanying notes are an integral part of this financial statement.

SUDDEN INFANT DEATH SYNDROME ALLIANCE, INC.
(d.b.a. – First Candle)

Statements of Cash Flows
For the Years Ended June 30, 2009 and 2008

	<u>2009</u>	<u>2008</u>
Cash Flows from Operating Activities		
Changes in net assets	\$ (934,577)	\$ 9,949,698
Adjustment to reconcile changes in net assets to net cash from operating activities		
Depreciation	30,209	34,292
Unrealized gain	778	-
Effect of changes in operating activities:		
Contributions receivable	1,329,449	(8,892,728)
Prepaid expenses and other assets	(10,897)	(11,961)
Accounts payable	(8,315)	30,507
Accrued expenses	(23,772)	(3,494)
Deferred revenue	18,858	(8,968)
Due to member organizations	(4,479)	(6,170)
Net Cash from Operating Activities	<u>397,254</u>	<u>1,091,176</u>
Cash Flows from Investing Activities		
Purchase of furniture and equipment	(7,394)	(32,281)
Purchase of investments	(76,616)	(377,660)
Net Cash from Investing Activities	<u>(84,010)</u>	<u>(409,941)</u>
Cash Flows from Financing Activities		
Principal payments on capital lease obligations	(25,509)	(10,358)
Net increase in cash	287,735	670,877
Cash and cash equivalents, beginning of year	1,506,190	835,313
Cash and Cash Equivalents, End of Year	<u>\$ 1,793,925</u>	<u>\$ 1,506,190</u>
Supplemental Cash Flow Disclosure		
Cash paid for interest	<u>\$ 2,125</u>	<u>\$ 2,594</u>

During the year ended June 30, 2009, First Candle entered into a capital lease agreement in the amount of \$41,417.

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

SUDDEN INFANT DEATH SYNDROME ALLIANCE, INC.
(d.b.a. – First Candle)

Statement of Functional Expenses
For the Year Ended June 30, 2009 with Comparative Total for 2008

	2009					2008 Total
	Program Services	Supporting Services			Total	
	Direct	Management and General	Fundraising	Total		
Staff Costs	\$ 894,475	\$ 163,206	\$ 126,684	\$ 289,890	\$ 1,184,365	\$ 991,362
Research/Grant Expenses	261,832	-	-	-	261,832	142,214
Travel	85,177	17,228	23,619	40,847	126,024	140,588
Printing	62,968	3,227	20,211	23,438	86,406	133,310
Other Professional Fees	46,635	2,341	8,890	11,231	57,866	69,229
In-Kind Expenses	160,885	-	-	-	160,885	92,623
Distribution Costs	611,673	-	-	-	611,673	90,357
Occupancy	50,792	8,558	-	8,558	59,350	60,596
Consulting, Public Policy	41,600	-	-	-	41,600	38,592
Special Event Expenses	-	-	132,868	132,868	132,868	36,276
Postage	22,062	4,411	12,542	16,953	39,015	35,331
Depreciation	19,315	5,447	5,447	10,894	30,209	34,292
Supplies	23,703	862	1,678	2,540	26,243	31,042
Project Expenses	70,289	-	2,958	2,958	73,247	26,863
Training Expenses	1,000	-	-	-	1,000	23,468
Telephone Expenses	23,511	2,265	2,029	4,294	27,805	22,914
Charitable Registrations	-	-	19,757	19,757	19,757	19,208
Insurance & Taxes	13,770	2,225	2,226	4,451	18,221	18,240
Temporary Help	-	-	-	-	-	15,508
Equipment	5,892	4,136	454	4,590	10,482	13,638
Bookkeeping	8,016	2,674	2,672	5,346	13,362	11,440
Conferences & Meetings	41,340	102	-	102	41,442	10,740
Miscellaneous	1,553	1,698	2,616	4,314	5,867	9,985
Legal/Accounting Fee	-	11,572	-	11,572	11,572	9,000
Interest, Dues and Memberships	937	3,271	162	3,440	4,377	5,915
Website Expenses	3,381	-	-	-	3,381	3,281
Manual Expenses	97	-	-	-	97	3,017
Staff Development	500	-	-	-	500	3,000
Media PSA	14,700	-	-	-	14,700	105
Windflower Ball Expenses	-	-	-	-	-	76,877
Total Functional Expenses	\$ 2,466,103	\$ 233,223	\$ 364,813	\$ 598,036	\$ 3,064,139	\$ 2,169,011

The accompanying notes are an integral part of this financial statement.

SUDDEN INFANT DEATH SYNDROME ALLIANCE, INC.
(d.b.a. – First Candle)

Statement of Functional Expenses
For the Year Ended June 30, 2008

	Program Services		Supporting Services	
	Direct	Management and General	Fundraising	Total
Staff Costs	\$ 791,253	\$ 99,985	\$ 100,124	\$ 991,362
Research/Grant Expenses	142,214	-	-	142,214
Travel	104,010	13,485	23,093	140,588
Printing	108,340	4,743	20,227	133,310
Other Professional Fees	53,543	4,654	11,032	69,229
In-Kind Expenses	92,623	-	-	92,623
Distribution Costs	90,357	-	-	90,357
Occupancy	43,112	8,742	8,742	60,596
Consulting, Public Policy	38,592	-	-	38,592
Special Event Expenses	6,043	-	30,233	36,276
Postage	20,820	5,440	9,071	35,331
Depreciation	22,150	6,071	6,071	34,292
Supplies	24,376	5,035	1,631	31,042
Project Expenses	23,448	-	3,415	26,863
Training Expenses	23,468	-	-	23,468
Telephone Expenses	16,220	3,347	3,347	22,914
Charitable Registrations	-	-	19,208	19,208
Insurance & Taxes	14,480	1,880	1,880	18,240
Temporary Help	-	15,508	-	15,508
Equipment	4,683	6,783	2,172	13,638
Bookkeeping	6,864	2,288	2,288	11,440
Conferences & Meetings	10,240	500	-	10,740
Miscellaneous	4,853	1,585	3,547	9,985
Legal/Accounting Fee	-	9,000	-	9,000
Interest, Dues and Memberships	2,491	2,594	830	5,915
Website Expenses	3,281	-	-	3,281
Manual Expenses	3,017	-	-	3,017
Staff Development	3,000	-	-	3,000
Media PSA	105	-	-	105
Windflower Ball Expenses	-	-	76,877	76,877
Total Functional Expenses	\$ 1,653,583	\$ 191,640	\$ 323,788	\$ 2,169,011

The accompanying notes are an integral part of this financial statement.

SUDDEN INFANT DEATH SYNDROME ALLIANCE, INC.
(d.b.a. – First Candle)

Notes to the Financial Statements
June 30, 2009 and 2008

1. BACKGROUND OF THE ORGANIZATION

Sudden Infant Death Syndrome Alliance, Inc. (d.b.a. – First Candle) (First Candle) is a national, not-for-profit organization. First Candle is dedicated to the support of Sudden Infant Death Syndrome (SIDS) families and those who experience other infant death, public and professional education, and the elimination of SIDS through research. First Candle funds medical research, offers emotional support nationally through over 50 local programs to families who have lost babies to SIDS and other causes, and supplies up-to-date information on SIDS to professionals and the general public, particularly new and expectant parents.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accompanying financial statements of First Candle have been prepared on the accrual basis of accounting.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires First Candle's management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the financial statements and the reported amounts of support and revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

Cash and cash equivalents include amounts invested in short-term investments with original maturities of 90 days or less. Cash equivalents as of June 30, 2009 and 2008, consisted of money market investment accounts and certificates of deposit.

Fair Value Measurement

SFAS No. 157 establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. 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 unobservable inputs (Level 3 measurements).

SUDDEN INFANT DEATH SYNDROME ALLIANCE, INC.
(d.b.a. – First Candle)

Notes to the Financial Statements
June 30, 2009 and 2008

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fair Value Measurement (continued)

The three levels of the fair value hierarchy under FASB Statement No. 157 are described below:

- Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that First Candle has the ability to access.
- Level 2 Inputs to the valuation methodology include:
- Quoted prices for similar assets or liabilities in active markets;
 - Quoted prices for identical or similar assets or liabilities in inactive markets;
 - Inputs other than quoted prices that are observable for the asset or liability;
 - Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

- Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Receivables

Receivables are valued at management's estimate of the amount that will ultimately be collected. The allowance for doubtful accounts is based on specific identification of uncollectible accounts and First Candle's historical collection experience. Management believes all receivables are fully collectible and thus no allowance for doubtful accounts has been provided for in the accompanying statements of financial position.

Contributions receivable in excess of one year have been discounted by approximately 3% as of June 30, 2009 and 2008.

SUDDEN INFANT DEATH SYNDROME ALLIANCE, INC.
(d.b.a. – First Candle)

Notes to the Financial Statements
June 30, 2009 and 2008

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Property and Equipment

Property and equipment purchased for greater than \$500 are recorded at cost. Donated property and equipment are capitalized at the estimated fair market value on the date received. Depreciation of property and equipment is recognized using the straight-line method over the estimated useful life of the assets.

Restricted and Unrestricted Support and Revenue

Contributions received are recorded as unrestricted or temporarily restricted support, depending on the existence and/or nature of any donor-imposed restrictions. Donor-restricted support is reported as an increase in temporarily restricted net assets, depending on the nature of the restriction.

Gifts of cash and other assets are reported as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when some stipulated time restriction ends or purpose of the restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the accompanying Statements of Activities and Changes in Net Assets as net assets released from restriction.

Revenue Recognition

Revenue and the related assets of the annual gala are recognized in the year in which the gala is held. Accordingly, sponsorships paid by sponsors in advance are reported as deferred revenue.

Donated Goods and Services

Donated items include printing of labels and brochures, and airfare vouchers. These items are included in other contributions on the accompanying Statements of Activities and Changes in Net Assets. First Candle's only records value for donated services it receives which it otherwise would have purchased, and for which the value of the services can be estimated. Certain volunteer services such as fundraising, public education, and general administration are not recorded in the accompanying financial statements.

SUDDEN INFANT DEATH SYNDROME ALLIANCE, INC.
(d.b.a. – First Candle)

Notes to the Financial Statements
June 30, 2009 and 2008

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the accompanying Statements of Activities and Changes in Net Assets and in the Statements of Functional Expenses. Accordingly, certain costs have been allocated among the programs and supporting services which benefited from those costs. Management and general expenses include those expenses that are not directly identified with any other specific function but provide for the overall support and direction of First Candle.

Income Taxes

First Candle is a not-for-profit voluntary health and welfare organization exempt from Federal income tax under Section 501(c)(3) of the Internal Revenue Code and is recognized as such by the Internal Revenue Service.

Reclassifications

Certain reclassifications were made to the 2008 amounts to conform to the 2009 presentation.

3. MEMBER ORGANIZATIONS

First Candle has amounts due to affiliates of \$12,769 and \$17,248 as of June 30, 2009 and 2008, respectively. The amounts due to affiliates relate primarily to funds held on behalf of the members for payment of member expenses by First Candle.

4. INVESTMENTS

The following is a description of the valuation methodologies used for investments measured at fair value. There have been no changes in the methodologies used as of June 30, 2009.

Mutual funds: Valued at the net asset value (NAV) of shares held at year-end.

Certificates of deposit and money market funds: Valued at the relative fair value of the underlying market value of investments.

Equity securities: Valued at the market price as of the balance sheet date.

Fixed income: Valued at the market price as of the balance sheet date.

SUDDEN INFANT DEATH SYNDROME ALLIANCE, INC.
(d.b.a. – First Candle)

Notes to the Financial Statements
June 30, 2009 and 2008

4. INVESTMENTS (continued)

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while First Candle believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table sets forth by level, the fair value hierarchy of First Candle's investments at fair value as of June 30, 2009:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Certificates of deposit	\$ 245,234	\$ -	\$ -	\$ 245,234
Equity securities	8,723	-	-	8,723
Fixed income securities	94,845	-	-	94,845
Mutual funds	104,696	-	-	104,696
Total	\$ 453,498	\$ -	\$ -	\$ 453,498

A summary of the investment portfolio as of June 30, 2009, is as follows:

	<u>Cost</u>	<u>Unrealized Gain (Loss)</u>	<u>Market Value</u>
Certificates of deposit	\$ 239,998	\$ 5,236	\$ 245,234
Equity securities	7,633	1,090	8,723
Fixed income securities	95,000	(155)	94,845
Mutual funds	110,089	(5,393)	104,696
Total Investments	\$ 452,720	\$ 778	\$ 453,498

5. CONTRIBUTIONS RECEIVABLE

Contributions receivable as of June 30, 2009 and 2008, include the following unconditional promises to give:

	<u>2009</u>	<u>2008</u>
Amounts due in:		
Less than one year	\$ 1,514,280	\$ 1,674,226
One to five years	6,593,416	8,091,614
	<u>8,107,696</u>	<u>9,765,840</u>
Less: Discount	412,624	741,319
Total	\$ 7,695,072	\$ 9,024,521

SUDDEN INFANT DEATH SYNDROME ALLIANCE, INC.
(d.b.a. – First Candle)

Notes to the Financial Statements
June 30, 2009 and 2008

6. PROPERTY AND EQUIPMENT

Property and equipment is comprised of the following as of June 30, 2009 and 2008:

	<u>2009</u>	<u>2008</u>	<u>Useful Life</u>
Auto	\$ 11,435	\$ 11,435	4 years
Capital leased equipment	30,900	41,360	5 years
Furniture and equipment	82,592	63,544	5 years
Leasehold improvements	41,753	42,889	Life of lease
	<u>166,680</u>	<u>159,228</u>	
Less: accumulated depreciation	<u>106,979</u>	<u>118,129</u>	
Furniture and equipment, net	<u>\$ 59,701</u>	<u>\$ 41,099</u>	

The depreciation expense was \$30,209 and \$34,292 for the years ended June 30, 2009 and 2008.

7. COMMITMENTS AND CONTINGENCIES

Capital Leases

First Candle has a capital lease for certain office equipment which expires in September 2013. Future minimum principal lease payments under this capital lease as of June 30, 2009, are:

<u>Years Ending June 30,</u>	<u>Amounts</u>
2010	6,180
2011	6,180
2012	6,180
2013	6,180
2014	1,545
Total	<u><u>\$ 26,265</u></u>

Operating Lease

First Candle leases office space under an operating lease, which expires March 2010. Rent expense for the years ended June 30, 2009 and 2008, was \$59,350 and \$60,596, respectively. The remaining lease payments in 2010 are \$38,801.

SUDDEN INFANT DEATH SYNDROME ALLIANCE, INC.
(d.b.a. – First Candle)

Notes to the Financial Statements
June 30, 2009 and 2008

7. COMMITMENTS AND CONTINGENCIES (continued)

Contingencies

Reimbursed costs under First Candle's government awards are subject to final determination by the government agency. Until such audits have been completed and final settlement reached, there exists a contingency to refund any amount received in excess of allowable costs. Management is of the opinion that no material liability will result from such audits.

8. RESEARCH GRANT COMMITMENTS

Consistent with its mission, First Candle awards research grants to investigators at various hospitals and universities. All awarded grants are conditional as they are subject to the availability of funds and satisfactory progress. Accordingly, grant expense is recognized as the conditions are met. During the years ended June 30, 2009 and 2008, First Candle expensed \$134,069 and \$142,214, respectively, against existing research grant awards.

9. PROGRAM GRANT - GATES

During the year ended June 30, 2008, First Candle received an \$11 million grant from the Bill and Melinda Gates Foundation. The purpose of this grant is to support the National Crib Campaign, a project aimed at reducing SIDS and sleep-related infant deaths. Funds will be provided to First Candle annually for the grant period from October 15, 2007 to October 14, 2014, and interest received on the invested grant money is required to be expended on the National Crib Campaign.

The first installment of the grant, which is deemed a contribution, was received during the year ended June 30, 2008, in the amount of \$1,450,587. The following represents the cash payment stream that First Candle expects to receive as future funds from this grant:

As of	Amount
August 2009	\$ 1,498,198
August 2010	1,530,815
August 2011	1,584,181
August 2012	1,738,454
August 2013	1,739,966
Total	\$ 8,091,614

SUDDEN INFANT DEATH SYNDROME ALLIANCE, INC.
(d.b.a. – First Candle)

Notes to the Financial Statements
June 30, 2009 and 2008

10. TEMPORARILY RESTRICTED NET ASSETS

As of June 30, 2009 and 2008, temporarily restricted net assets were comprised of:

	<u>2009</u>	<u>2008</u>
Research Restricted Funds	\$ 290,221	\$ 288,471
National Crib Campaign (Gates Foundation)	8,980,449	9,914,705
Total	<u>\$ 9,270,670</u>	<u>\$ 10,203,176</u>

From time to time, various individuals and organizations host events for the benefit of First Candle. These events are neither organized nor sponsored by First Candle, and, accordingly, the amount of revenue varies with the activity of these outside parties.

11. PROFIT SHARING PLAN

First Candle has a qualified profit sharing plan covering all eligible employees who are at least 21 years of age with one year of service. Contributions to the plan are made based on a percentage of employee base compensation. The amount of the contribution to the plan for the years ended June 30, 2009 and 2008, was \$42,000 and \$34,947, respectively.

12. IN-KIND CONTRIBUTIONS

Various individuals and corporations have donated goods to support First Candle's programs during the year ended June 30, 2009 and 2008. The donated goods were recorded as contribution revenue based on their estimated fair value. The fair value of those donations of \$160,885 and \$92,623 was recorded as other contributions in the accompanying Statements of Activities and Changes in Net Assets as of June 30, 2009 and 2008, respectively.