

Return of Organization Exempt From Income Tax

2003

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

▶ The organization may have to use a copy of this return to satisfy state reporting requirements

A For the 2003 calendar year, or tax year beginning July 1, 2003, and ending June 30, 2004

- B Check if applicable
- Address change
- Name change
- Initial return
- Final return
- Amended return
- Application pending

C Name of organization
Wake County SmartStart, Inc.

Number and street (or P O box if mail is not delivered to street address) Room/suite
3203 Woman's Club Drive 112

City or town, state or country, and ZIP + 4
Raleigh, NC 27612

D Employer identification number
56 ; 1949415

E Telephone number
(919) 789-9990

F Accounting method. Cash Accrual
 Other (specify) ▶ **Regulatory**

G Website: ▶ **www.wakesmartstart.org**

J Organization type (check only one) ▶ 501(c) (3) ◀ (insert no) 4947(a)(1) or 527

K Check here ▶ if the organization's gross receipts are normally not more than \$25,000. The organization need not file a return with the IRS, but if the organization received a Form 990 Package in the mail, it should file a return without financial data. **Some states require a complete return**

H and I are not applicable to section 527 organizations

H(a) Is this a group return for affiliates? Yes No

H(b) If "Yes," enter number of affiliates ▶

H(c) Are all affiliates included? Yes No
(If "No," attach a list. See instructions.)

H(d) Is this a separate return filed by an organization covered by a group ruling? Yes No

I Group Exemption Number ▶

M Check ▶ if the organization is **not** required to attach Sch. B (Form 990, 990-EZ, or 990-PF)

L Gross receipts Add lines 6b, 8b, 9b, and 10b to line 12 ▶ **7611678**

Part I Revenue, Expenses, and Changes in Net Assets or Fund Balances (See page 18 of the instructions)

Revenue	1 Contributions, gifts, grants, and similar amounts received				
	a Direct public support	1a		8246	
	b Indirect public support	1b			
	c Government contributions (grants)	1c		7568628	
	d Total (add lines 1a through 1c) (cash \$ <u>7576874</u> noncash \$ _____)	1d			7576874
	2 Program service revenue including government fees and contracts (from Part VII, line 93)	2			
	3 Membership dues and assessments	3			
	4 Interest on savings and temporary cash investments	4			6591
	5 Dividends and interest from securities	5			
	6a Gross rents	6a			
	b Less: rental expenses	6b			
	c Net rental income or (loss) (subtract line 6b from line 6a)	6c			
7 Other investment income (describe ▶)	7				
8a Gross amount from sales of assets other than inventory	(A) Securities		(B) Other		
		8a			
	b Less: cost or other basis and sales expenses.	8b			
c Gain or (loss) (attach schedule)	8c				
d Net gain or (loss) (combine line 8c columns (A) and (B))	8d				
9 Special events and activities (attach schedule) If amount is from gaming, check here ▶ <input type="checkbox"/>					
a Gross revenue (not including \$4,200 of contributions reported on line 1a)	9a				
b Less: direct expenses other than fundraising expenses	9b				
c Net income or (loss) from events (subtract line 9b from line 9a)	9c				
10a Gross sales of inventory, less returns and allowances	10a				
	b Less: cost of goods sold	10b			
	c Gross profit or (loss) from sales of inventory (attach schedule) (subtract line 10b from line 10a)	10c			
11 Other revenue (from Part VII, line 103)	11			28213	
12 Total revenue (add lines 1d, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11)	12			7611678	
Expenses	13 Program services (from line 44, column (B))	13		6890796	
	14 Management and general (from line 44, column (C))	14		576709	
	15 Fundraising (from line 44, column (D))	15			
	16 Payments to affiliates (attach schedule)	16			
	17 Total expenses (add lines 16 and 44, column (A))	17			7467505
18 Excess or (deficit) for the year (subtract line 17 from line 12)	18			144173	
Net Assets	19 Net assets or fund balances at beginning of year (from line 73, column (A))	19		91458	
	20 Other changes in net assets or fund balances (attach explanation)	20			
	21 Net assets or fund balances at end of year (combine lines 18, 19, and 20)	21			235631

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Part II Statement of Functional Expenses

All organizations must complete column (A). Columns (B), (C), and (D) are required for section 501(c)(3) and (4) organizations and section 4947(a)(1) nonexempt charitable trusts but optional for others (See page 22 of the instructions)

Do not include amounts reported on line 6b, 8b, 9b, 10b, or 16 of Part I		(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
22	Grants and allocations (attach schedule) (cash \$ 5505963 noncash \$ 166136)	5672099	5672099		
23	Specific assistance to individuals (attach schedule)				
24	Benefits paid to or for members (attach schedule)				
25	Compensation of officers, directors, etc.				
26	Other salaries and wages	1120380	824683	295697	
27	Pension plan contributions	37958	30199	7759	
28	Other employee benefits	179222	136248	42974	
29	Payroll taxes	93095	68569	24526	
30	Professional fundraising fees				
31	Accounting fees CONTRACT SVC	63625	24295	39330	
32	Legal fees	1515		1515	
33	Supplies	51655	23787	27868	
34	Telephone	19818	14519	5299	
35	Postage and shipping	3310	1748	1562	
36	Occupancy	115316	39065	76251	
37	Equipment rental and maintenance	14540	11437	3103	
38	Printing and publications	4520		4520	
39	Travel	15373	13911	1460	
40	Conferences, conventions, and meetings	25410	21579	3833	
41	Interest REFERENCE MATERIALS	698	319	379	
42	Depreciation, depletion, etc. (attach schedule) FIXED ASSETS	13045	2862	10183	
43	Other expenses not covered above (itemize) a Ads	5778	1483	4295	
b	Board Meeting Expense	2290		2290	
c	Dues and Subscriptions	11084	3993	7091	
d	Insurance and Bonding	15777		15777	
e	Miscellaneous	997		997	
44	Total functional expenses (add lines 22 through 43). Organizations completing columns (B)-(D), carry these totals to lines 13-15.	7467505	6890796	576709	

Joint Costs. Check if you are following SOP 98-2.

Are any joint costs from a combined educational campaign and fundraising solicitation reported in (B) Program services? Yes No

If "Yes," enter (i) the aggregate amount of these joint costs \$ _____, (ii) the amount allocated to Program services \$ _____, (iii) the amount allocated to Management and general \$ _____, and (iv) the amount allocated to Fundraising \$ _____

Part III Statement of Program Service Accomplishments (See page 25 of the instructions)

What is the organization's primary exempt purpose? Develop and fund early childhood initiatives	Program Service Expenses (Required for 501(c)(3) and (4) orgs and 4947(a)(1) trusts, but optional for others)
a Childcare and Education Quality-Improve quality in childcare centers and homes, teacher development, childcare substitutes, provider training, curriculum enhancement (Grants and allocations \$ 1229161)	2015271
b Childcare and Education Affordability-Purchase of childcare, part-day programs for at-risk childrer (Grants and allocations \$ 2404507)	2404507
c Health and Safety-Comprehensive dental services, health consultants, enhancement of services for abused/neglected children (Grants and allocations \$ 1153504)	1153504
d Family Support-Parent education, family support to include referrals, counseling, mentoring and community education (Grants and allocations \$ 884927)	884927
e Other program services (attach schedule) (Grants and allocations \$ _____)	432587
f Total of Program Service Expenses (should equal line 44, column (B), Program services)	6890796

Part IV Balance Sheets (See page 25 of the instructions.)

Note: Where required, attached schedules and amounts within the description column should be for end-of-year amounts only		(A) Beginning of year		(B) End of year	
Assets	45 Cash—non-interest-bearing	29782	45	208187	
	46 Savings and temporary cash investments		46		
	47a Accounts receivable	64442			
	b Less: allowance for doubtful accounts		64442	47c	29504
	48a Pledges receivable				
	b Less: allowance for doubtful accounts				
	49 Grants receivable			49	
	50 Receivables from officers, directors, trustees, and key employees (attach schedule)			50	
	51a Other notes and loans receivable (attach schedule).				
	b Less: allowance for doubtful accounts			51c	
	52 Inventories for sale or use			52	
	53 Prepaid expenses and deferred charges			53	
	54 Investments—securities (attach schedule).	▶ <input type="checkbox"/> Cost <input type="checkbox"/> FMV		54	
	55a Investments—land, buildings, and equipment: basis				
	b Less: accumulated depreciation (attach schedule).			55c	
	56 Investments—other (attach schedule)			56	
	57a Land, buildings, and equipment: basis				
	b Less accumulated depreciation (attach schedule).			57c	
58 Other assets (describe ▶ _____)			58		
59 Total assets (add lines 45 through 58) (must equal line 74)	94224	59		237692	
Liabilities	60 Accounts payable and accrued expenses	2766	60	2060	
	61 Grants payable		61		
	62 Deferred revenue		62		
	63 Loans from officers, directors, trustees, and key employees (attach schedule).			63	
	64a Tax-exempt bond liabilities (attach schedule)			64a	
	b Mortgages and other notes payable (attach schedule)			64b	
	65 Other liabilities (describe ▶ _____)			65	
66 Total liabilities (add lines 60 through 65)	2766	66		2060	
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here ▶ <input type="checkbox"/> and complete lines 67 through 69 and lines 73 and 74.				
	67 Unrestricted	86458	67	235631	
	68 Temporarily restricted	5000	68		
	69 Permanently restricted		69		
	Organizations that do not follow SFAS 117, check here ▶ <input type="checkbox"/> and complete lines 70 through 74.				
	70 Capital stock, trust principal, or current funds		70		
	71 Paid-in or capital surplus, or land, building, and equipment fund		71		
	72 Retained earnings, endowment, accumulated income, or other funds		72		
73 Total net assets or fund balances (add lines 67 through 69 or lines 70 through 72, column (A) must equal line 19; column (B) must equal line 21).	91458	73		235631	
74 Total liabilities and net assets / fund balances (add lines 66 and 73)	94224	74		237691	

Form 990 is available for public inspection and, for some people, serves as the primary or sole source of information about a particular organization. How the public perceives an organization in such cases may be determined by the information presented on its return. Therefore, please make sure the return is complete and accurate and fully describes, in Part III, the organization's programs and accomplishments.

Part VI Other Information (See page 28 of the instructions.)

		Yes	No
76	Did the organization engage in any activity not previously reported to the IRS? If "Yes," attach a detailed description of each activity		✓
77	Were any changes made in the organizing or governing documents but not reported to the IRS? If "Yes," attach a conformed copy of the changes.		✓
78a	Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return?		✓
b	If "Yes," has it filed a tax return on Form 990-T for this year?		✓
79	Was there a liquidation, dissolution, termination, or substantial contraction during the year? If "Yes," attach a statement		✓
80a	Is the organization related (other than by association with a statewide or nationwide organization) through common membership, governing bodies, trustees, officers, etc., to any other exempt or nonexempt organization?		✓
b	If "Yes," enter the name of the organization ▶ _____ _____ and check whether it is <input type="checkbox"/> exempt or <input type="checkbox"/> nonexempt.		
81a	Enter direct and indirect political expenditures. See line 81 instructions 81a		
b	Did the organization file Form 1120-POL for this year?		✓
82a	Did the organization receive donated services or the use of materials, equipment, or facilities at no charge or at substantially less than fair rental value?	✓	
b	If "Yes," you may indicate the value of these items here. Do not include this amount as revenue in Part I or as an expense in Part II. (See instructions in Part III.) 82b		
83a	Did the organization comply with the public inspection requirements for returns and exemption applications?	✓	
b	Did the organization comply with the disclosure requirements relating to quid pro quo contributions?	✓	
84a	Did the organization solicit any contributions or gifts that were not tax deductible?		✓
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		
85	501(c)(4), (5), or (6) organizations. a Were substantially all dues nondeductible by members?		
b	Did the organization make only in-house lobbying expenditures of \$2,000 or less? If "Yes" was answered to either 85a or 85b, do not complete 85c through 85h below unless the organization received a waiver for proxy tax owed for the prior year.		
c	Dues, assessments, and similar amounts from members 85c		
d	Section 162(e) lobbying and political expenditures 85d		
e	Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices 85e		
f	Taxable amount of lobbying and political expenditures (line 85d less 85e) 85f		
g	Does the organization elect to pay the section 6033(e) tax on the amount on line 85f?		
h	If section 6033(e)(1)(A) dues notices were sent, does the organization agree to add the amount on line 85f to its reasonable estimate of dues allocable to nondeductible lobbying and political expenditures for the following tax year?		
86	501(c)(7) orgs. Enter: a Initiation fees and capital contributions included on line 12 86a		
b	Gross receipts, included on line 12, for public use of club facilities. 86b		
87	501(c)(12) orgs. Enter: a Gross income from members or shareholders. 87a		
b	Gross income from other sources. (Do not net amounts due or paid to other sources against amounts due or received from them.) 87b		
88	At any time during the year, did the organization own a 50% or greater interest in a taxable corporation or partnership, or an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? If "Yes," complete Part IX		✓
89a	501(c)(3) organizations Enter: Amount of tax imposed on the organization during the year under: section 4911 ▶ _____, section 4912 ▶ _____, section 4955 ▶ _____		
b	501(c)(3) and 501(c)(4) orgs. Did the organization engage in any section 4958 excess benefit transaction during the year or did it become aware of an excess benefit transaction from a prior year? If "Yes," attach a statement explaining each transaction.		✓
c	Enter: Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958. ▶ _____		None
d	Enter: Amount of tax on line 89c, above, reimbursed by the organization. ▶ _____		None
90a	List the states with which a copy of this return is filed ▶ <u>North Carolina</u>		
b	Number of employees employed in the pay period that includes March 12, 2003 (See instructions.) 90b		29
91	The books are in care of ▶ <u>Gabrielle Barnard, Controller</u> Telephone no. ▶ <u>(919) 789-9990</u> Located at ▶ <u>3203 Woman's Club Dr., Ste. 112, Raleigh, NC</u> ZIP + 4 ▶ <u>27612</u>		
92	Section 4947(a)(1) nonexempt charitable trusts filing Form 990 in lieu of Form 1041 —Check here ▶ <input type="checkbox"/> and enter the amount of tax-exempt interest received or accrued during the tax year ▶ 92		

Part VII Analysis of Income-Producing Activities (See page 33 of the instructions.)

Note: Enter gross amounts unless otherwise indicated.

	Unrelated business income		Excluded by section 512, 513, or 514		(E) Related or exempt function income
	(A) Business code	(B) Amount	(C) Exclusion code	(D) Amount	
93 Program service revenue:					
a _____					
b _____					
c _____					
d _____					
e _____					
f Medicare/Medicaid payments					
g Fees and contracts from government agencies					
94 Membership dues and assessments					
95 Interest on savings and temporary cash investments			14	6591	
96 Dividends and interest from securities					
97 Net rental income or (loss) from real estate:					
a debt-financed property					
b not debt-financed property					
98 Net rental income or (loss) from personal property					
99 Other investment income					
100 Gain or (loss) from sales of assets other than inventory					
101 Net income or (loss) from special events					
102 Gross profit or (loss) from sales of inventory					
103 Other revenue: a Sales Tax Refund					28120
b Miscellaneous Income					93
c _____					
d _____					
e _____					
104 Subtotal (add columns (B), (D), and (E))				6591	28213
105 Total (add line 104, columns (B), (D), and (E)).					34804

Note: Line 105 plus line 1d, Part I, should equal the amount on line 12, Part I

Part VIII Relationship of Activities to the Accomplishment of Exempt Purposes (See page 34 of the instructions.)

Line No.	Explain how each activity for which income is reported in column (E) of Part VII contributed importantly to the accomplishment of the organization's exempt purposes (other than by providing funds for such purposes)
103a	Sales Tax Refund
103b	Miscellaneous Income

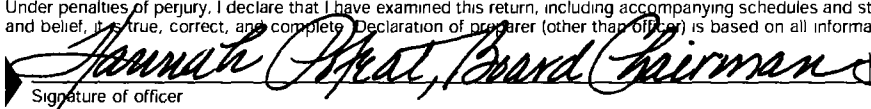
Part IX Information Regarding Taxable Subsidiaries and Disregarded Entities (See page 34 of the instructions.)

(A) Name, address, and EIN of corporation, partnership, or disregarded entity	(B) Percentage of ownership interest	(C) Nature of activities	(D) Total income	(E) End-of-year assets
	%			
	%			
	%			
	%			

Part X Information Regarding Transfers Associated with Personal Benefit Contracts (See page 34 of the instructions.)

- (a) Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? Yes No
 - (b) Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? Yes No
- Note:** If "Yes" to (b), file Form 8870 and Form 4720 (see instructions)

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Please Sign Here:  Board Chairman Date: Feb. 10, 2005

Signature of officer: Hannah Poteat, Board Chairman

Date: _____

Check if self-employed

Preparer's SSN or PTIN (See Gen. Inst. W)

EIN: _____

Part III Statements About Activities (See page 2 of the instructions.)

	Yes	No
1 During the year, has the organization attempted to influence national, state, or local legislation, including any attempt to influence public opinion on a legislative matter or referendum? If "Yes," enter the total expenses paid or incurred in connection with the lobbying activities ▶ \$ _____ (Must equal amounts on line 38, Part VI-A, or line 1 of Part VI-B) Organizations that made an election under section 501(h) by filing Form 5768 must complete Part VI-A. Other organizations checking "Yes" must complete Part VI-B AND attach a statement giving a detailed description of the lobbying activities.		✓
2 During the year, has the organization, either directly or indirectly, engaged in any of the following acts with any substantial contributors, trustees, directors, officers, creators, key employees, or members of their families, or with any taxable organization with which any such person is affiliated as an officer, director, trustee, majority owner, or principal beneficiary? (If the answer to any question is "Yes," attach a detailed statement explaining the transactions.)		
a Sale, exchange, or leasing of property?		✓
b Lending of money or other extension of credit?		✓
c Furnishing of goods, services, or facilities?		✓
d Payment of compensation (or payment or reimbursement of expenses if more than \$1,000)?	✓	
e Transfer of any part of its income or assets?		✓
3a Do you make grants for scholarships, fellowships, student loans, etc? (If "Yes," attach an explanation of how you determine that recipients qualify to receive payments)		✓
b Do you have a section 403(b) annuity plan for your employees?		✓
4 Did you maintain any separate account for participating donors where donors have the right to provide advice on the use or distribution of funds?		✓

Part IV Reason for Non-Private Foundation Status (See pages 3 through 6 of the instructions)

The organization is not a private foundation because it is (Please check only **ONE** applicable box.)

- 5** A church, convention of churches, or association of churches. Section 170(b)(1)(A)(i).
- 6** A school. Section 170(b)(1)(A)(ii). (Also complete Part V.)
- 7** A hospital or a cooperative hospital service organization. Section 170(b)(1)(A)(iii).
- 8** A Federal, state, or local government or governmental unit. Section 170(b)(1)(A)(v).
- 9** A medical research organization operated in conjunction with a hospital. Section 170(b)(1)(A)(iii). Enter the hospital's name, city, and state ▶ _____
- 10** An organization operated for the benefit of a college or university owned or operated by a governmental unit. Section 170(b)(1)(A)(iv). (Also complete the **Support Schedule** in Part IV-A.)
- 11a** An organization that normally receives a substantial part of its support from a governmental unit or from the general public. Section 170(b)(1)(A)(vi). (Also complete the **Support Schedule** in Part IV-A.)
- 11b** A community trust. Section 170(b)(1)(A)(vi). (Also complete the **Support Schedule** in Part IV-A.)
- 12** An organization that normally receives (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its charitable, etc., functions—subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See section 509(a)(2). (Also complete the **Support Schedule** in Part IV-A.)
- 13** An organization that is not controlled by any disqualified persons (other than foundation managers) and supports organizations described in (1) lines 5 through 12 above, or (2) section 501(c)(4), (5), or (6), if they meet the test of section 509(a)(2). (See section 509(a)(3).)

Provide the following information about the supported organizations (See page 5 of the instructions.)

(a) Name(s) of supported organization(s)	(b) Line number from above

- 14** An organization organized and operated to test for public safety. Section 509(a)(4). (See page 6 of the instructions.)

Part IV-A Support Schedule (Complete only if you checked a box on line 10, 11, or 12.) **Use cash method of accounting.**
Note: You may use the worksheet in the instructions for converting from the accrual to the cash method of accounting.

Calendar year (or fiscal year beginning in) . ▶	(a) 2002	(b) 2001	(c) 2000	(d) 1999	(e) Total
15 Gifts, grants, and contributions received (Do not include unusual grants. See line 28.)	6785536	13575690	15864049	14089567	50314842
16 Membership fees received					
17 Gross receipts from admissions, merchandise sold or services performed, or furnishing of facilities in any activity that is related to the organization's charitable, etc., purpose					
18 Gross income from interest, dividends, amounts received from payments on securities loans (section 512(a)(5)), rents, royalties, and unrelated business taxable income (less section 511 taxes) from businesses acquired by the organization after June 30, 1975	4723	9349	83216	59190	156478
19 Net income from unrelated business activities not included in line 18					
20 Tax revenues levied for the organization's benefit and either paid to it or expended on its behalf.					
21 The value of services or facilities furnished to the organization by a governmental unit without charge. Do not include the value of services or facilities generally furnished to the public without charge.					
22 Other income. Attach a schedule. Do not include gain or (loss) from sale of capital assets	29952	39064	213434	9850	292300
23 Total of lines 15 through 22.	6820211	13624103	16160699	14158607	50763620
24 Line 23 minus line 17.	6820211	13624103	16160699	14158607	50763620
25 Enter 1% of line 23	68202	136241	161607	141586	
26 Organizations described on lines 10 or 11: a Enter 2% of amount in column (e), line 24. ▶				26a	1015272
b Prepare a list for your records to show the name of and amount contributed by each person (other than a governmental unit or publicly supported organization) whose total gifts for 1999 through 2002 exceeded the amount shown in line 26a. Do not file this list with your return. Enter the total of all these excess amounts ▶				26b	0
c Total support for section 509(a)(1) test. Enter line 24, column (e) ▶				26c	50763620
d Add. Amounts from column (e) for lines. 18 <u>156478</u> 19 _____				26d	448778
22 <u>292300</u> 26b _____				26e	50314842
e Public support (line 26c minus line 26d total) ▶				26e	50314842
f Public support percentage (line 26e (numerator) divided by line 26c (denominator)) ▶				26f	99 %
27 Organizations described on line 12: a For amounts included in lines 15, 16, and 17 that were received from a "disqualified person," prepare a list for your records to show the name of, and total amounts received in each year from, each "disqualified person." Do not file this list with your return. Enter the sum of such amounts for each year. (2002) _____ (2001) _____ (2000) _____ (1999) _____					
b For any amount included in line 17 that was received from each person (other than "disqualified persons"), prepare a list for your records to show the name of, and amount received for each year, that was more than the larger of (1) the amount on line 25 for the year or (2) \$5,000. (Include in the list organizations described in lines 5 through 11, as well as individuals.) Do not file this list with your return. After computing the difference between the amount received and the larger amount described in (1) or (2), enter the sum of these differences (the excess amounts) for each year. (2002) _____ (2001) _____ (2000) _____ (1999) _____					
c Add. Amounts from column (e) for lines. 15 _____ 16 _____				27c	
17 _____ 20 _____ 21 _____				27d	
d Add: Line 27a total _____ and line 27b total _____				27e	
e Public support (line 27c total minus line 27d total). ▶				27e	
f Total support for section 509(a)(2) test. Enter amount from line 23, column (e). ▶				27f	
g Public support percentage (line 27e (numerator) divided by line 27f (denominator)). ▶				27g	%
h Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator)). ▶				27h	%
28 Unusual Grants: For an organization described in line 10, 11, or 12 that received any unusual grants during 1999 through 2002, prepare a list for your records to show, for each year, the name of the contributor, the date and amount of the grant, and a brief description of the nature of the grant. Do not file this list with your return. Do not include these grants in line 15					

Part V Private School Questionnaire (See page 7 of the instructions)
(To be completed ONLY by schools that checked the box on line 6 in Part IV)

	Yes	No
29 Does the organization have a racially nondiscriminatory policy toward students by statement in its charter, bylaws, other governing instrument, or in a resolution of its governing body?		
30 Does the organization include a statement of its racially nondiscriminatory policy toward students in all its brochures, catalogues, and other written communications with the public dealing with student admissions, programs, and scholarships?		
31 Has the organization publicized its racially nondiscriminatory policy through newspaper or broadcast media during the period of solicitation for students, or during the registration period if it has no solicitation program, in a way that makes the policy known to all parts of the general community it serves? If "Yes," please describe, if "No," please explain. (If you need more space, attach a separate statement.)		
32 Does the organization maintain the following.		
a Records indicating the racial composition of the student body, faculty, and administrative staff?		
b Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis?		
c Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships?		
d Copies of all material used by the organization or on its behalf to solicit contributions?		
If you answered "No" to any of the above, please explain. (If you need more space, attach a separate statement.)		
33 Does the organization discriminate by race in any way with respect to		
a Students' rights or privileges?		
b Admissions policies?		
c Employment of faculty or administrative staff?		
d Scholarships or other financial assistance?		
e Educational policies?		
f Use of facilities?		
g Athletic programs?		
h Other extracurricular activities?		
If you answered "Yes" to any of the above, please explain. (If you need more space, attach a separate statement.)		
34a Does the organization receive any financial aid or assistance from a governmental agency?		
b Has the organization's right to such aid ever been revoked or suspended? If you answered "Yes" to either 34a or b, please explain using an attached statement		
35 Does the organization certify that it has complied with the applicable requirements of sections 4.01 through 4.05 of Rev. Proc. 75-50, 1975-2 C.B. 587, covering racial nondiscrimination? If "No," attach an explanation		

Part VI-A Lobbying Expenditures by Electing Public Charities (See page 9 of the instructions)
 (To be completed **ONLY** by an eligible organization that filed Form 5768)

Check **a** if the organization belongs to an affiliated group. Check **b** if you checked "a" and "limited control" provisions apply.

Limits on Lobbying Expenditures		(a) Affiliated group totals	(b) To be completed for ALL electing organizations
(The term "expenditures" means amounts paid or incurred.)			
36	Total lobbying expenditures to influence public opinion (grassroots lobbying)	36	
37	Total lobbying expenditures to influence a legislative body (direct lobbying)	37	
38	Total lobbying expenditures (add lines 36 and 37)	38	
39	Other exempt purpose expenditures	39	
40	Total exempt purpose expenditures (add lines 38 and 39).	40	
41	Lobbying nontaxable amount. Enter the amount from the following table—		
	If the amount on line 40 is— The lobbying nontaxable amount is—		
	Not over \$500,000 20% of the amount on line 40		
	Over \$500,000 but not over \$1,000,000 . . . \$100,000 plus 15% of the excess over \$500,000		
	Over \$1,000,000 but not over \$1,500,000 . . \$175,000 plus 10% of the excess over \$1,000,000		
	Over \$1,500,000 but not over \$17,000,000 . \$225,000 plus 5% of the excess over \$1,500,000		
	Over \$17,000,000 \$1,000,000		
42	Grassroots nontaxable amount (enter 25% of line 41)	42	
43	Subtract line 42 from line 36. Enter -0- if line 42 is more than line 36	43	
44	Subtract line 41 from line 38. Enter -0- if line 41 is more than line 38	44	

Caution: If there is an amount on either line 43 or line 44, you must file Form 4720.

4-Year Averaging Period Under Section 501(h)

(Some organizations that made a section 501(h) election do not have to complete all of the five columns below.
 See the instructions for lines 45 through 50 on page 11 of the instructions.)

Calendar year (or fiscal year beginning in) ▶	Lobbying Expenditures During 4-Year Averaging Period				
	(a) 2003	(b) 2002	(c) 2001	(d) 2000	(e) Total
45 Lobbying nontaxable amount.					
46 Lobbying ceiling amount (150% of line 45(e)).					
47 Total lobbying expenditures					
48 Grassroots nontaxable amount					
49 Grassroots ceiling amount (150% of line 48(e))					
50 Grassroots lobbying expenditures					

Part VI-B Lobbying Activity by Nonelecting Public Charities

(For reporting only by organizations that did not complete Part VI-A) (See page 12 of the instructions.)

During the year, did the organization attempt to influence national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of.	Yes	No	Amount
a Volunteers			
b Paid staff or management (Include compensation in expenses reported on lines c through h).			
c Media advertisements			
d Mailings to members, legislators, or the public			
e Publications, or published or broadcast statements			
f Grants to other organizations for lobbying purposes			
g Direct contact with legislators, their staffs, government officials, or a legislative body			
h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any other means			
i Total lobbying expenditures (Add lines c through h).			

If "Yes" to any of the above, also attach a statement giving a detailed description of the lobbying activities

Wake County Smart Start, Inc.
56-1949415
For the Year Ended June 30, 2004
Other Income, Schedule A, Part IV-A, line 22

Schedule A, Part IV-A, line 22
Other Income

Sales Tax Refund	29450
Miscellaneous Income	502
	<u>29,952</u>

Wake County Smart Start, Inc.									
56-1949415									
Part II Statement of Functional Expenditures line 22 and Part III: Schedule of Program Accomplishments									
For the Year Ended June 30, 2004									
	100	200	300	400	500	600			
Organization Name and Address	ChildCare and Education Quality	ChildCare & Education Access/Availability	ChildCare & Education Affordability	Healthy and Safety	Family Support	Program Support	Total		
ABC Land II, 610 Raymond Dr , Wendell, NC 27591			276,537				276,537		
All Star Children's Academy,551 James Jackson Dr , Cary, NC 27513			71,517				71,517		
Athens Drive Child Development Center, Athens Dr , Raleigh, NC			33,792				33,792		
Bright Horizons's Childrens Center-RCC,800 Corporate Center Dr , Raleigh, NC 27607			117,457				117,457		
Bright Horizons at the Forum, Forum 867, Raleigh, NC 27615			23,060				23,060		
Buttons and Bows Preschool II, 4204 Jacqueline Ln, Raleigh, NC 27616			61,381				61,381		
Chapel Hill Training Outreach, 350 W Jones St, Fuquay Varina, NC 27529			350,558				350,558		
Childcare Network-Brentwood, 2912 Brentwood Rd , Raleigh, NC 27604			378,184				378,184		
Childcare Network-Six Forks, 201 Six Forks Rd , Raleigh, NC 27609			59,451				59,451		
Early Preschool and Learning Center, 2614 Fairway Dr , Raleigh, NC 27603			98,702				98,702		
Heather Park Center, 932 Heather Park Dr , Garner, NC 27529			126,720				126,720		
Method Child Development Center, Inc , 900 Trailwood Dr , Raleigh, NC 27606			62,656				62,656		
Methodist Home for Children-Jordan Center, P O Box 10917, Raleigh, NC 27605			73,664				73,664		
Methodist Home for Children-Walnut Terrace, P O Box 10917, Raleigh, NC 27605			134,300				134,300		
Raleigh Nursery School, 1035 Halifax St , Raleigh, NC 27604			158,254				158,254		

Wake County Smart Start, Inc.									
56-1949415									
Part II Statement of Functional Expenditures line 22 and Part III: Schedule of Program Accomplishments									
For the Year Ended June 30, 2004									
	100	200	300	400	500	600			
Organization Name and Address	ChildCare and Education Quality	ChildCare & Education Access/Availability	ChildCare & Education Affordability	Healthy and Safety	Family Support	Program Support	Total		
Tuttle Community Center, 310 N Tarboro Rd, Raleigh, NC 27610			31,602				31,602		
Upper Room Children's Center, 3300 Idlewood Village Dr, Raleigh, NC 27610			244,688				244,688		
Wake County Public School System, P O Box 28041, Raleigh, NC 27611			99,022				99,022		
Various centers-assessment materials			1,018				1,018		
Wake County Human Services, P O Box 14049, Raleigh, NC 27620			1,943	644,332	184,517		830,792		
Triangle United Way, P O Box 110387, RTP, NC 27709					53,849		53,849		
Community Partnerships, 3522 Haworth Dr, Raleigh, NC 27609	226,949						226,949		
East Wake Education Foundation, P O Box 1404, Wendell, NC 27591					171,908		171,908		
Motherhead, 3924 Browing Pl, Ste 7, Raleigh, NC 27609	253,142						253,142		
Volunteer Families for Children, 7406-B Chapel Hill Rd, Raleigh, NC 27607					60,000		60,000		
SAFEChild, 864 W Morgan St, Raleigh, NC 27603					45,597		45,597		
Project Enlightenment, 501 S Boylan Ave, Raleigh, NC 27603	70,008			223,193	293,674		586,875		
Child Care Resource & Referral, 319 Chapanoke Rd, Raleigh, NC 27603	573,505						573,505		
Healthy Mothers, Healthy Babies, 231 S East St, Ste A, Raleigh, NC 27601					55,293		55,293		
WakeMed Hospital, 3000 New Bern Ave, Raleigh, NC 27610				193,233			193,233		
Family Support Network, P O Box 5567, Cary, NC 27512				58,956			58,956		
Lucy Daniels Center, 9003 Weston Pkwy, Cary, NC 27513				33,790			33,790		
Lutheran Family Services, P O Box 12287, Raleigh, NC 27605					20,089		20,089		

Wake County Smart Start, Inc.
 56-1949415
 For the Year Ended June 30, 2004
 List of Officers, Directors, Trustees
 and Key Employees, Form 990, Part
 V

Name	Address	Raleigh	Ave Hrs/Wk	Title and	Compensation	Employee Benefit Plan Contribution	Expense Account
Anderson, Mary Ellen	10 Sunnybrook Road	Raleigh	27610		0	0	0
Baker, Jo	3600 Wake Forest Road	Raleigh	27609		0	0	0
Barnes, Neil	568 E Lenoir Street	Raleigh	27601		0	0	0
Cain, Kevin	PO Box 25425	Raleigh	27611		0	0	0
Carlberg, Carey	319 Chapanoke Road, Suite 319	Raleigh	27603		0	0	0
Council, Herb	160 Iowa Lane	Cary	27511		0	0	0
Cousins, Dale	1930 Clark Avenue	Raleigh	27605		0	0	0
DeLong, Paula	568 E. Lenoir Street, Suite 213	Raleigh	27601		0	0	0
Frazier, Cam	3336 Fayetteville Street Mall; PO Bo	Raleigh	27602-0550		0	0	0
Martin, Kym	5652 Normanshire Drive	Raleigh	27606		0	0	0
Martin, Shante	PO Box 629	Raleigh	27602		0	0	0
Miller, Michele	3034 Slippery Elm Drive	Raleigh	27610		0	0	0
Mitchell, Carol	4001-E Cary Drive	Raleigh	27610-2914		0	0	0
Morris, Peter	PO Box 46833	Raleigh	27620-6833	Chairman	0	0	0
McLeod, Neill	9101 Fayetteville Road	Raleigh	27603		0	0	0
Poteat, Hannah	2301 Gaddy Drive	Raleigh	27609	Vice-Chairman	0	0	0
Orr, Louise	3525 Carlton Square Place	Raleigh	27612		0	0	0
Pritchard, Tim	319 Chapanoke Road, Suite 101	Raleigh	27699-2074		0	0	0
Rodriguez, Gemimah	804 Northwest Maynard Road	Cary	27513	Secretary	0	0	0
Sharpe, Phyllis	3015 Buckingham Way	Apex	27502		0	0	0
Rutowski, Donna	5401 LaFayette Drive	Fuquay-Ve	27526		0	0	0
Stikeleather, Jane	1913 Banbury Road	Raleigh	27608		0	0	0
Thurston, Norris	6405 Lakeland Drive	Raleigh	27612		0	0	0
Urzi, Mary	PO Box 46833	Raleigh	27620-6833		0	0	0
Weisel, Michael	510 Glenwood Avenue; Suite 319	Raleigh	27603	Treasurer	0	0	0
Zonderman, David	Box 8108	Raleigh	27695		0	0	0

Wake County Smart Start, Inc.

56-1949415

For the Year Ended June 30, 2004

Statement of Program Service Accomplishments, Form 990, Part III e
Other Program Services

	Grants & Allocations	Program Service Expenses
<u>Program Support</u>	-	432,587

Support for the effectiveness and feasibility of programs supported;
coordination and monitoring of program services

Total	-	<u>432,587</u>
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