

**Return of Organization Exempt From Income Tax**

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

**2004**

**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 2004 calendar year, or tax year beginning July 1, 2004, and ending June 30, 2005**

<b>B</b> Check if applicable: <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Final return <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	Please use IRS label or print or type. See Specific Instructions.	<b>C Name of organization</b> Wake County SmartStart, Inc.		<b>D Employer identification number</b> 56 1949415
		Number and street (or P O box if mail is not delivered to street address) Room/suite 3203 Woman's Club Drive, Suite 112		<b>E Telephone number</b> ( 919 ) 789-9990
		City or town, state or country, and ZIP + 4 Raleigh, NC 27612		<b>F Accounting method:</b> <input type="checkbox"/> Cash <input type="checkbox"/> Accrual <input checked="" type="checkbox"/> Other (specify) ▶ <b>Regulatory</b>
		Section 501(c)(3) organizations and 4947(a)(1) nonexempt charitable trusts must attach a completed Schedule A (Form 990 or 990-EZ).		

**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 ▶

**L Gross receipts:** Add lines 6b, 8b, 9b, and 10b to line 12 ▶ **8701208**

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

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

Revenue	<b>1</b> Contributions, gifts, grants, and similar amounts received:				
	<b>a</b> Direct public support	1a		7662	
	<b>b</b> Indirect public support	1b			
	<b>c</b> Government contributions (grants)	1c		8662007	
	<b>d</b> Total (add lines 1a through 1c) (cash \$ 8669669 noncash \$ )	1d			8669669
	<b>2</b> Program service revenue including government fees and contracts (from Part VII, line 93)	2			
	<b>3</b> Membership dues and assessments	3			
	<b>4</b> Interest on savings and temporary cash investments	4			7329
	<b>5</b> Dividends and interest from securities	5			
	<b>6a</b> Gross rents	6a			
	<b>b</b> Less: rental expenses	6b			
	<b>c</b> Net rental income or (loss) (subtract line 6b from line 6a)	6c			
<b>7</b> Other investment income (describe ▶)	7				
<b>8a</b> Gross amount from sales of assets other than inventory	(A) Securities		(B) Other		
		8a			
	<b>b</b> Less: cost or other basis and sales expenses	8b			
	<b>c</b> Gain or (loss) (attach schedule)	8c			
<b>d</b> Net gain or (loss) (combine line 8c, columns (A) and (B))	8d				
<b>9</b> Special events and activities (attach schedule). If any amount is from gaming, check here ▶ <input type="checkbox"/>	<b>a</b> Gross revenue (not including \$ contributions reported on line 1a)	9a			
	<b>b</b> Less: direct expenses other than fundraising expenses	9b			
	<b>c</b> Net income or (loss) from special events (subtract line 9b from line 9a)	9c			
<b>10</b> Gross sales of inventory, less returns and allowances		10a			
	<b>b</b> Less: cost of goods sold	10b			
	<b>c</b> Gross profit or (loss) from sales of inventory (attach schedule) (subtract line 10b from line 10a)	10c			
<b>11</b> Other revenue (from Part VII, line 103)	11			24210	
<b>12</b> Total revenue (add lines 1d, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11)	12			8701208	
Expenses	<b>13</b> Program services (from line 44, column (B))	13		8247452	
	<b>14</b> Management and general (from line 44, column (C))	14		601847	
	<b>15</b> Fundraising (from line 44, column (D))	15			
	<b>16</b> Payments to affiliates (attach schedule)	16			
	<b>17</b> Total expenses (add lines 16 and 44, column (A))	17			8849299
Net Assets	<b>18</b> Excess or (deficit) for the year (subtract line 17 from line 12)	18		-148091	
	<b>19</b> Net assets or fund balances at beginning of year (from line 73, column (A))	19		235631	
	<b>20</b> Other changes in net assets or fund balances (attach explanation)	20		(rounding) 1	
	<b>21</b> Net assets or fund balances at end of year (combine lines 18, 19, and 20)	21			87541

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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 \$ <u>6764290</u> noncash \$ <u>200631</u> )	6964921	6964921		
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	1183482	858831	324651	
27	Pension plan contributions	42582	32530	10052	
28	Other employee benefits	190312	141013	49299	
29	Payroll taxes	96337	71093	25244	
30	Professional fundraising fees				
31	Accounting fees				
32	Legal fees	4166		4166	
33	Supplies	47073	19164	27909	
34	Telephone	13862	8771	5091	
35	Postage and shipping	4279	1880	2399	
36	Occupancy	112735	39268	73467	
37	Equipment rental and maintenance	13557	10435	3122	
38	Printing and publications	4575		4575	
39	Travel	20348	17131	3217	
40	Conferences, conventions, and meetings	29991	20694	9297	
41	Interest				
42	Depreciation, depletion, etc. (attach schedule)				
43	Other expenses not covered above (itemize) a <b>Dues</b>	11559	4720	6839	
b	<b>Contract Services</b>	82463	47369	35094	
c	<b>Property/Casualty Insurance</b>	10653		10653	
d	<b>Miscellaneous</b>	2295		2295	
e	<b>Equipment</b>	14109	9632	4477	
44	Total functional expenses (add lines 22 through 43). Organizations completing columns (B)-(D), carry these totals to lines 13-15.	8849299	8247452	601847	

**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? <b>Develop and fund early childhood initiatives</b>		Program Service Expenses (Required for 501(c)(3) and (4) orgs. and 4947(a)(1) trusts, but optional for others)
a	<b>Childcare and Education Quality-Improve quality in childcare centers and homes, teacher development, childcare substitutes, provider training, curriculum enhancement</b>	
	(Grants and allocations \$ <u>1119654</u> )	1801754
b	<b>Childcare and Education Affordability-Purchase of childcare, part-day programs for at-risk children</b>	
	(Grants and allocations \$ <u>3559272</u> )	3715935
c	<b>Health and Safety-Comprehensive dental services, health consultants, enhancement of services for abused/neglected children</b>	
	(Grants and allocations \$ <u>1399204</u> )	1399204
d	<b>Family Support-Parent Education, family support to include referrals counseling, mentoring and community education</b>	
	(Grants and allocations \$ <u>886791</u> )	886791
e	Other program services (attach schedule) (Grants and allocations \$ _____)	443768
f	<b>Total of Program Service Expenses</b> (should equal line 44, column (B), Program services).	8247452

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

<b>Note:</b> 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
<b>Assets</b>	<b>45</b> Cash—non-interest-bearing . . . . .	208187	<b>45</b>	46426
	<b>46</b> Savings and temporary cash investments . . . . .		<b>46</b>	
	<b>47a</b> Accounts receivable . . . . .	29504		
	<b>b</b> Less: allowance for doubtful accounts . . . . .		<b>47c</b>	43165
	<b>48a</b> Pledges receivable . . . . .			
	<b>b</b> Less: allowance for doubtful accounts . . . . .		<b>48c</b>	
	<b>49</b> Grants receivable . . . . .		<b>49</b>	
	<b>50</b> Receivables from officers, directors, trustees, and key employees (attach schedule) . . . . .		<b>50</b>	
	<b>51a</b> Other notes and loans receivable (attach schedule) . . . . .			
	<b>b</b> Less: allowance for doubtful accounts . . . . .		<b>51c</b>	
	<b>52</b> Inventories for sale or use . . . . .		<b>52</b>	
	<b>53</b> Prepaid expenses and deferred charges . . . . .		<b>53</b>	
	<b>54</b> Investments—securities (attach schedule) . . . . . <input type="checkbox"/> Cost <input type="checkbox"/> FMV		<b>54</b>	
	<b>55a</b> Investments—land, buildings, and equipment: basis . . . . .			
	<b>b</b> Less: accumulated depreciation (attach schedule) . . . . .		<b>55c</b>	
	<b>56</b> Investments—other (attach schedule) . . . . .		<b>56</b>	
	<b>57a</b> Land, buildings, and equipment: basis . . . . .			
	<b>b</b> Less: accumulated depreciation (attach schedule) . . . . .		<b>57c</b>	
<b>58</b> Other assets (describe ► _____ )		<b>58</b>		
<b>59 Total assets</b> (add lines 45 through 58) (must equal line 74) . . . . .	237692	<b>59</b>	89591	
<b>Liabilities</b>	<b>60</b> Accounts payable and accrued expenses . . . . .	2060	<b>60</b>	2050
	<b>61</b> Grants payable . . . . .		<b>61</b>	
	<b>62</b> Deferred revenue . . . . .		<b>62</b>	
	<b>63</b> Loans from officers, directors, trustees, and key employees (attach schedule) . . . . .		<b>63</b>	
	<b>64a</b> Tax-exempt bond liabilities (attach schedule) . . . . .		<b>64a</b>	
	<b>b</b> Mortgages and other notes payable (attach schedule) . . . . .		<b>64b</b>	
	<b>65</b> Other liabilities (describe ► _____ )		<b>65</b>	
<b>66 Total liabilities</b> (add lines 60 through 65) . . . . .	2060	<b>66</b>	2050	
<b>Net Assets or Fund Balances</b>	<b>Organizations that follow SFAS 117, check here</b> <input checked="" type="checkbox"/> and complete lines 67 through 69 and lines 73 and 74.			
	<b>67</b> Unrestricted . . . . .	235631	<b>67</b>	87541
	<b>68</b> Temporarily restricted . . . . .		<b>68</b>	
	<b>69</b> Permanently restricted . . . . .		<b>69</b>	
	<b>Organizations that do not follow SFAS 117, check here</b> <input type="checkbox"/> and complete lines 70 through 74.			
	<b>70</b> Capital stock, trust principal, or current funds . . . . .		<b>70</b>	
	<b>71</b> Paid-in or capital surplus, or land, building, and equipment fund . . . . .		<b>71</b>	
	<b>72</b> Retained earnings, endowment, accumulated income, or other funds . . . . .		<b>72</b>	
<b>73 Total net assets or fund balances</b> (add lines 67 through 69 or lines 70 through 72; column (A) must equal line 19; column (B) must equal line 21) . . . . .	235631	<b>73</b>	87541	
<b>74 Total liabilities and net assets / fund balances</b> (add lines 66 and 73)	237691	<b>74</b>	89591	

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.



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?		✓
78b	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 <b>81a</b>		
81b	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.) <b>82b</b>		
83a	Did the organization comply with the public inspection requirements for returns and exemption applications?	✓	
83b	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?		✓
84b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		
85a	501(c)(4), (5), or (6) organizations. a Were substantially all dues nondeductible by members?		
85b	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. <b>85c</b>		
	d Section 162(e) lobbying and political expenditures. <b>85d</b>		
	e Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices. <b>85e</b>		
	f Taxable amount of lobbying and political expenditures (line 85d less 85e). <b>85f</b>		
85g	g Does the organization elect to pay the section 6033(e) tax on the amount on line 85f?		
85h	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?		
86a	501(c)(7) orgs. Enter: a Initiation fees and capital contributions included on line 12. <b>86a</b>		
	b Gross receipts, included on line 12, for public use of club facilities. <b>86b</b>		
87a	501(c)(12) orgs. Enter: a Gross income from members or shareholders. <b>87a</b>		
87b	b Gross income from other sources. (Do not net amounts due or paid to other sources against amounts due or received from them.) <b>87b</b>		
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 _____		
89b	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. <b>None</b>		
	d Enter: Amount of tax on line 89c, above, reimbursed by the organization. <b>None</b>		
90a	List the states with which a copy of this return is filed <b>North Carolina</b>		
90b	b Number of employees employed in the pay period that includes March 12, 2004 (See instructions.) <b>30</b>		
91	The books are in care of <b>Gabrielle Barnard, Controller</b> Telephone no. <b>(919) 789-9990</b> Located at <b>3203 Woman's Club Drive, Suite 112, Raleigh, NC</b> ZIP + 4 <b>27612</b>		
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 <b>92</b>		

**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	7329	
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 <b>Sales Tax Refund</b>					16194
b <b>MAC Services</b>					8016
c _____					
d _____					
e _____					
104 Subtotal (add columns (B), (D), and (E)) . . . . .				7329	24210
105 Total (add line 104, columns (B), (D), and (E)) . . . . .					31539

**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	Services to families and children of local affiliate

**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 *Thomas N. [Signature]* Chairman *Nov. 17, 2005*  
 \_\_\_\_\_ Date  
**CHAIRMAN**



**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 i 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? . . . . .	2a	✓
b Lending of money or other extension of credit? . . . . .	2b	✓
c Furnishing of goods, services, or facilities? . . . . .	2c	✓
d Payment of compensation (or payment or reimbursement of expenses if more than \$1,000)? . . . . .	2d	✓
e Transfer of any part of its income or assets? . . . . .	2e	✓
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.) . . . . .	3a	✓
b Do you have a section 403(b) annuity plan for your employees? . . . . .	3b	✓
4a Did you maintain any separate account for participating donors where donors have the right to provide advice on the use or distribution of funds? . . . . .	4a	✓
b Do you provide credit counseling, debt management, credit repair, or debt negotiation services? . . . . .	4b	✓

**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 1/4% 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 5 of the instructions.)

**Part IV-A Support Schedule** (Complete only if you checked a box on lines 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) 2003	(b) 2002	(c) 2001	(d) 2000	(e) Total
<b>15</b> Gifts, grants, and contributions received. (Do not include unusual grants. See line 28.)	<b>7576874</b>	<b>6785536</b>	<b>13575690</b>	<b>15864049</b>	<b>43802149</b>
<b>16</b> Membership fees received					
<b>17</b> 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					
<b>18</b> 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	<b>6591</b>	<b>4723</b>	<b>9349</b>	<b>83216</b>	<b>103879</b>
<b>19</b> Net income from unrelated business activities not included in line 18					
<b>20</b> Tax revenues levied for the organization's benefit and either paid to it or expended on its behalf					
<b>21</b> 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					
<b>22</b> Other income. Attach a schedule. Do not include gain or (loss) from sale of capital assets	<b>28213</b>	<b>29952</b>	<b>39064</b>	<b>213434</b>	<b>310663</b>
<b>23</b> Total of lines 15 through 22	<b>7611678</b>	<b>6820211</b>	<b>13624103</b>	<b>16160699</b>	<b>44216691</b>
<b>24</b> Line 23 minus line 17	<b>7611678</b>	<b>6820211</b>	<b>13624103</b>	<b>16160699</b>	<b>44216691</b>
<b>25</b> Enter 1% of line 23	<b>76117</b>	<b>68202</b>	<b>136241</b>	<b>161607</b>	
<b>26 Organizations described on lines 10 or 11:</b>					
<b>a</b> Enter 2% of amount in column (e), line 24					<b>26a</b> <b>884334</b>
<b>b</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 2000 through 2003 exceeded the amount shown in line 26a. Do not file this list with your return. Enter the total of all these excess amounts					<b>26b</b>
<b>c</b> Total support for section 509(a)(1) test: Enter line 24, column (e)					<b>26c</b> <b>44216691</b>
<b>d</b> Add: Amounts from column (e) for lines:	18 <u>103879</u>	19 _____			
	22 <u>310663</u>	26b _____			<b>26d</b> <b>414542</b>
<b>e</b> Public support (line 26c minus line 26d total)					<b>26e</b> <b>43802149</b>
<b>f</b> Public support percentage (line 26e (numerator) divided by line 26c (denominator))					<b>26f</b> <b>99 %</b>
<b>27 Organizations described on line 12:</b>					
<b>a</b> 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:					
(2003) _____ (2002) _____ (2001) _____ (2000) _____					
<b>b</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:					
(2003) _____ (2002) _____ (2001) _____ (2000) _____					
<b>c</b> Add: Amounts from column (e) for lines:	15 _____	16 _____			
	17 _____	20 _____	21 _____		
<b>d</b> Add: Line 27a total, _____ and line 27b total, _____					<b>27d</b>
<b>e</b> Public support (line 27c total minus line 27d total)					<b>27e</b>
<b>f</b> Total support for section 509(a)(2) test: Enter amount from line 23, column (e)					<b>27f</b>
<b>g</b> Public support percentage (line 27e (numerator) divided by line 27f (denominator))					<b>27g</b> %
<b>h</b> Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator))					<b>27h</b> %
<b>28 Unusual Grants:</b> For an organization described in line 10, 11, or 12 that received any unusual grants during 2000 through 2003, 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.

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

**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) 2004	(b) 2003	(c) 2002	(d) 2001	(e) Total
<b>45</b> Lobbying nontaxable amount . . . . .					
<b>46</b> Lobbying ceiling amount (150% of line 45(e))					
<b>47</b> Total lobbying expenditures . . . . .					
<b>48</b> Grassroots nontaxable amount . . . . .					
<b>49</b> Grassroots ceiling amount (150% of line 48(e))					
<b>50</b> 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 11 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
<b>a</b> Volunteers . . . . .			
<b>b</b> Paid staff or management (Include compensation in expenses reported on lines c through h.) . . . . .			
<b>c</b> Media advertisements. . . . .			
<b>d</b> Mailings to members, legislators, or the public . . . . .			
<b>e</b> Publications, or published or broadcast statements . . . . .			
<b>f</b> Grants to other organizations for lobbying purposes . . . . .			
<b>g</b> Direct contact with legislators, their staffs, government officials, or a legislative body. . . . .			
<b>h</b> Rallies, demonstrations, seminars, conventions, speeches, lectures, or any other means . . . . .			
<b>j</b> 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									
Part II Statement of Functional Expenditures line 22 and Part III: Schedule of Program Accomplishments									
For the Year Ended June 30, 2005									
	100	300	400	500	600				
Organization Name and Address	ChildCare and Education Quality	ChildCare & Education Affordability	Healthy and Safety	Family Support	Program Support	Total			
Methodist Home for Children-Walnut Terrace, P O Box 10917, Raleigh, NC 27605		138,240				138,240			
Raleigh Nursery School, 1035 Halifax St, Raleigh, NC 27604		135,936				135,936			
Tuttle Community Center, 310 N Tarboro Rd., Raleigh, NC 27610		125,694				125,694			
Upper Room Children's Center, 3300 Idlewood Village Dr., Raleigh, NC 27610		281,801				281,801			
Wake County Public School System, P O Box 28041, Raleigh, NC 27611	302,806	116,277	261,978	319,136		1,000,197			
Wake County Human Services, P O Box 14049, Raleigh, NC 27620	46,308	50	746,548	177,506		970,412			
Easter Seals North Carolina 2315 Myron Dr., Raleigh, NC 27607			50,948			50,948			
Community Partnerships, 3522 Haworth Dr, Raleigh, NC 27609	229,518					229,518			
East Wake Education Foundation, P O Box 1404, Wendell, NC 27591						57,320			
Motherhead, 3924 Browning Pl, Ste 7, Raleigh, NC 27609	210,570					210,570			
Volunteer Families for Children, 7406-B Chapel Hill Rd, Raleigh, NC 27607				37,063		37,063			
SAFEChild, 864 W Morgan St, Raleigh, NC 27603				63,186		63,186			
Catholic Social Ministries 715 Nazareth St, Raleigh, NC 27606				49,855		49,855			
Healthy Mothers, Healthy Babies, 231 S East St, Ste. A, Raleigh, NC 27601				116,899		116,899			
WakeMed Hospital, 3000 New Bern Ave, Raleigh, NC 27610			156,325			156,325			
Family Support Network, P O Box 5567, Cary, NC 27512			42,817			42,817			
Lucy Daniels Center, 9003 Weston Pkwy, Cary, NC 27513			118,488			118,488			
Lutheran Family Services, P O Box 12287, Raleigh, NC 27605				65,826		65,826			

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, 2005									
Organization Name and Address	ChildCare and Education Quality	ChildCare & Education Affordability	Healthy and Safety	Family Support	Program Support	Total			
Child Care Services Association P.O. Box 901, Chapel Hill, NC 27514	148,777	300	400	500	600	148,777			
Learning Together 568 E Lenoir St , Raleigh, NC 27601	43,000		22,100			65,100			
Academically Based Childcare Parnell Dr., Raleigh, NC 27610	9,553					9,553			
Childtime Childcare 2013 9420 Six Forks Rd , Raleigh, NC 27615	9,904					9,904			
Dreams of Excellence 5212 Six Forks Rd , Raleigh, NC 27609	4,626					4,626			
Kindercare #617 6840 Falls of Neuse Rd , Raleigh, NC 27640	9,427					9,427			
A Safe Place Child Enrichment 1216 Cross Link Rd , Raleigh, NC	9,810					9,810			
Rudoutt's Nursery and Kindergarten 600 St. Marys St., Garner, NC	9,963					9,963			
Childcare Network # 61 4905 Western Blvd , Raleigh, NC 27606	8,906					8,906			
Mi Neighborhood Playhouse 700 580 E Chatham St , Cary, NC 27511	9,999					9,999			
Infant's Palace 804 Coleman St , Raleigh,NC 27610	4,433					4,433			
Beacon Child Care Center 3933 Nerw Bern Ave , Raleigh, NC 27610	9,054					9,054			
Beginnings in Christ 6600 Hallejulah Ave., Wendell, NC 27591	8,597					8,597			
Huckleberry's Friends 1000 Lawndale St , Garner, NC 27529	9,981					9,981			
La Petite Academy 7601 Six Forks Rd , Raleigh, NC 27615	9,587					9,587			
Matthew Chapel Daycare 1516 Montrose St , Raleigh, NC 27603	3,966					3,966			
Buttons and Bows I 3801 Mitchell Mill Rd , Raleigh, NC 27612	9,999					9,999			
Kidz Komer 8129 MCGuire Dr , Raleigh, NC 27616	747					747			

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, 2005									
Organization Name and Address	ChildCare and Education Quality	ChildCare & Education Affordability	Healthy and Safety	Family Support	Program Support	Total			
Norwood School 1709 Spring Forest Rd, Raleigh, NC 27615	639					639			
Alms's Childcare 2904 Barwell Rd, Raleigh, NC 27610	1,793					1,793			
D & G Childcare 7140 Perry Creek Rd, Raleigh, NC 27616	449					449			
Elite Child Care 5612 Preston Place, Raleigh, NC 27604	734					734			
Expressions of Love 704 Rockville Ct, Wake Forest, NC 27587	748					748			
I Believe in You 4540 New Hope Rd, Raleigh, NC 27604	745					745			
Lots of Learning 314 Baumbridge Circle, Garner, NC 27529	1,378					1,378			
MaiMa Jo's 301 Park Ave, Knightdale, NC 27545	749					749			
Pat's Daycare 3321 Friar Tuck Rd, Raleigh, NC 27610	733					733			
Rising Star 405 Quail Dr., Raleigh, NC 27604	749					749			
Touch of Love 10 Meadow Winds Ct, Wendell, NC 27591	597					597			
Walk in Their Shoes 5417 Duckling Way, Raleigh, NC 27610	445					445			
A Multitude of Angels 4404 Susan Dr, Raleigh, NC 27603	364					364			
<b>Subtotal Grants and Allocations</b>	<b>1,119,654</b>	<b>3,559,272</b>	<b>1,399,204</b>	<b>886,791</b>	<b>-</b>	<b>6,964,921</b>			
Wake County Smart Start, Inc., 3203 Woman's Club Dr, Raleigh, NC 27612 Quality Enhancement Initiative	634,764					634,764			
Wake County Smart Start, Inc 3203 Woman's Club Dr, Raleigh, NC 27612 Substitute Support in Child Care Settings	47,336					47,336			
Wake County Smart Start, Inc, 3203 Woman's Club Dr, Raleigh, NC 27612 More at Four Pre-Kindergarten Program		156,663				156,663			

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, 2005						
	100	300	400	500	600	
	ChildCare and Education Quality	ChildCare & Education Affordability	Healthy and Safety	Family Support	Program Support	Total
Organization Name and Address						
Wake County Smart Start, Inc., 3203 Woman's Club Dr , Raleigh, NC 27612 Program Improvement and Evaluation					187,078	187,078
Wake County Smart Start, Inc, 3203 Woman's Club Dr , Raleigh, NC 27612 Program Coordination and Partner Capacity Building					256,690	256,690
<b>Grand Total Program Services</b>	<b>1,801,754</b>	<b>3,715,935</b>	<b>1,399,204</b>	<b>886,791</b>	<b>443,768</b>	<b>8,247,452</b>

Wake County Smart Start, Inc.

56-1949415

For the Year Ended June 30, 2005

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

Other Program Services

	Grants & Allocations	Program Service Expenses
<u>Program Support</u>	-	443,768

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

Total	-	<u>443,768</u>
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Wake County SmartStart, Inc.  
 56-1949415  
 For the Year Ended June 30, 2005  
 List of Officers, Directors, Trustees and Key Employees  
 Form 990, Part V

Name	Address	City	State	Zip	Title and Ave Hrs/Wk	Compensation	Employee Benefit Plan Contribution	Expense Account
Allen	Rev. James 4900 Jacqueline Lane	Raleigh	NC	27616		0	0	0
Anderson	Mary Ellen 10 Sunnybrook Road	Raleigh	NC	27610		0	0	0
Baker	Jo 3600 Wake Forest Road	Raleigh	NC	27609		0	0	0
Barnes	Nell 568 E Lenoir Street	Raleigh	NC	27601		0	0	0
Cain	Kevin PO Box 25425	Raleigh	NC	27611		0	0	0
Council	Herb 160 Iowa Lane	Cary	NC	27511		0	0	0
Cousins	Dale 1930 Clark Avenue	Raleigh	NC	27605		0	0	0
DeLong	Paula 568 E. Lenoir Street, Suite 213	Raleigh	NC	27601		0	0	0
Frazier	Cam 431 Weathergreen Drive	Raleigh	NC	27615		0	0	0
Martin	Kym 5652 Normanshire Drive	Raleigh	NC	27606		0	0	0
Martin	Shante PO Box 629	Raleigh	NC	27602		0	0	0
McLeod	Neill 9101 Fayetteville Road	Raleigh	NC	27603		0	0	0
Miller	Michele 3034 Slippery Elm Drive	Raleigh	NC	27610	Secretary	0	0	0
Mitchell	Carol 4001-E Cary Drive	Raleigh	NC	27610-2914		0	0	0
Morris	Peter PO Box 46833	Raleigh	NC	27620-6833		0	0	0
Orr	Louise 3525 Carlton Square Place	Raleigh	NC	27612		0	0	0
Poteat	Hannah 2301 Gaddy Drive	Raleigh	NC	27609	Chairman	0	0	0
Pritchard	Tim 319 Chapanoke Road, Suite 101	Raleigh	NC	27699-2074		0	0	0
Rodriguez	Gemimah 804 Northwest Maynard Road	Cary	NC	27513		0	0	0
Rutowski	Donna 5401 LaFayette Drive	Fuquay-Varina	NC	27526	Treasurer	0	0	0
Schaffer	Camille PO Box 550	Raleigh	NC	27602-0550		0	0	0
Stikeleather	Jane 1913 Banbury Road	Raleigh	NC	27608		0	0	0
Thurston	Norris 6405 Lakeland Drive	Raleigh	NC	27612		0	0	0
Urzi	Mary PO Box 46833	Raleigh	NC	27620-6833		0	0	0
Weisel	Michael 510 Glenwood Avenue, Suite 319	Raleigh	NC	27603	Vice-Chairman	0	0	0
Zonderman	David Box 8108	Raleigh	NC	27695		0	0	0

**Wake County Smart Start, Inc.**  
**56-1949415**  
**For the Year Ended June 30, 2005**  
**Other Income, Schedule A, Part IV-A, line 22**

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

Sales Tax Refund	28,120
Miscellaneous Income	<u>93</u>
	<u>28,213</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, 2005										
	100	300	400	500	600					
Organization Name and Address	ChildCare and Education Quality	ChildCare & Education Affordability	Healthy and Safety	Family Support	Program Support	Total				
ABC Land II, 610 Raymond Dr., Wendell, NC 27591		273,408				273,408				
Bright Beginnings of Cary, Inc., 123 Bright Beginnings Way, Cary, NC 27519		174,572				174,572				
Bright Horizon's Childrens Center-RCC,800 Corporate Center Dr., Raleigh, NC 27607		123,200				123,200				
Bright Horizons at the Forum, Forum 867, Raleigh, NC 27615		126,877				126,877				
Bright Horizons Children Center 9101 Fayetteville Rd, Raleigh, NC 27603		66,532				66,532				
Buttons and Bows Preschool II, 4204 Jacqueline Ln, Raleigh, NC 27616		200,219				200,219				
Children's Campus at Preston 551 James Jackson Ave., Cary, NC 27513		131,456				131,456				
Cary Children's Center 551 James Jackson Ave, Cary, NC 27513		1,119				1,119				
Childcare Network-Fuquay Varma Early Learning Center, 350 W Jones St, Fuquay Varma, NC 27526		354,816				354,816				
Childcare Network-Brentwood, 2912 Brentwood Rd, Raleigh, NC 27604		370,304				370,304				
Childcare Network-Six Forks, 201 Six Forks Rd, Raleigh, NC 27609		256,271				256,271				
Early Preschool and Learning Center, 2614 Fairway Dr, Raleigh, NC 27603		137,191				137,191				
The Happy Face Preschool 5010 Ft. Sumter Rd, Raleigh, NC 27606		90,575				90,575				
Heather Park Center, 932 Heather Park Dr., Garner, NC 27529		124,608				124,608				
Kidworks Operated by Little Pros Academy 3311 Carl Sandburg Ct, Raleigh, NC 27610		71,067				71,067				
Lord of Life Preschool 2100 Buffalo Rd, Garner, NC 27529		72,831				72,831				
Method Child Development Center, Inc., 900 Trailwood Dr, Raleigh, NC 27606		97,908				97,908				
Methodist Home for Children-Jordan Center, P.O Box 10917, Raleigh, NC 27605		88,320				88,320				