

Return of Organization Exempt From Income Tax

2006

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 2006 calendar year, or tax year beginning July 1, 2006, **and ending** June 30, 2007

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

C Name of organization
 Wake County Smart Start, Inc
 Number and street (or P O box if mail is not delivered to street address) Room/suite
 1121 Situs Court, Suite 250
 City or town, state or country, and ZIP + 4
 Raleigh, NC 27606

D Employer identification number
 56 1949415

E Telephone number
 (919) 851-9550

F Accounting method Cash Accrual
 Other (specify) ▶

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 ▶ N/A
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 ▶

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

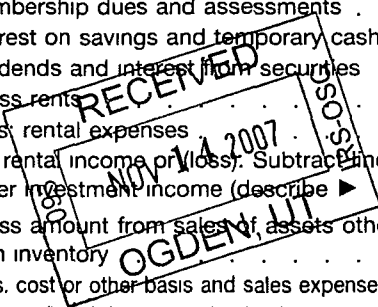
K Check here if the organization is not a 509(a)(3) supporting organization and its gross receipts are normally not more than \$25,000. A return is not required, but if the organization chooses to file a return, be sure to file a complete return

L Gross receipts Add lines 6b, 8b, 9b, and 10b to line 12 ▶ 10,999,794

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 the instructions)

Revenue					
1	Contributions, gifts, grants, and similar amounts received:				
a	Contributions to donor advised funds	1a	23,850		
b	Direct public support (not included on line 1a)	1b			
c	Indirect public support (not included on line 1a)	1c			
d	Government contributions (grants) (not included on line 1a)	1d	10,765,124		
e	Total (add lines 1a through 1d) (cash \$ 10,788,974 noncash \$)			1e	10,788,974
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	35,996
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		
b	Less: cost or other basis and sales expenses	8a			
c	Gain or (loss) (attach schedule)	8b			
d	Net gain or (loss). Combine line 8c, columns (A) and (B)	8c			
8d				8d	
9	Special events and activities (attach schedule). If any amount is from gaming, check here <input type="checkbox"/>				
a	Gross revenue (not including \$ of contributions reported on line 1b)	9a			
b	Less: direct expenses other than fundraising expenses	9b			
c	Net income or (loss) from special 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	174,824
12	Total revenue. Add lines 1e, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11			12	10,999,794
Expenses					
13	Program services (from line 44, column (B))			13	10,226,301
14	Management and general (from line 44, column (C))			14	633,434
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	10,859,735
Net Assets					
18	Excess or (deficit) for the year. Subtract line 17 from line 12			18	140,059
19	Net assets or fund balances at beginning of year (from line 73, column (A))			19	205,594
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	345,653



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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 the instructions)

<i>Do not include amounts reported on line 6b, 8b, 9b, 10b, or 16 of Part I.</i>		(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
22a	Grants paid from donor advised funds (attach schedule) (cash \$ _____ noncash \$ _____) If this amount includes foreign grants, check here <input type="checkbox"/>				
22b	Other grants and allocations (attach schedule) (cash \$ <u>8,688,088</u> noncash \$ <u>182,543</u>) If this amount includes foreign grants, check here <input type="checkbox"/>	8,870,631	8,870,631		
23	Specific assistance to individuals (attach schedule)				
24	Benefits paid to or for members (attach schedule)				
25a	Compensation of current officers, directors, key employees, etc. listed in Part V-A (attach schedule)	121,634		121,634	
b	Compensation of former officers, directors, key employees, etc. listed in Part V-B (attach schedule)				
c	Compensation and other distributions, not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) (attach schedule)				
26	Salaries and wages of employees not included on lines 25a, b, and c	1,089,195	841,941	247,254	
27	Pension plan contributions not included on lines 25a, b, and c	57,642	37,136	20,506	
28	Employee benefits not included on lines 25a - 27	180,572	141,176	39,396	
29	Payroll taxes	94,845	67,412	27,433	
30	Professional fundraising fees				
31	Accounting fees				
32	Legal fees	2,521		2,521	
33	Supplies	55,685	24,750	30,935	
34	Telephone	10,697	6,682	4,015	
35	Postage and shipping	7,466	3,172	4,294	
36	Occupancy	118,610	73,197	45,413	
37	Equipment rental and maintenance	8,026	5,918	2,108	
38	Printing and publications	9,746	5,188	4,558	
39	Travel	24,789	22,054	2,735	
40	Conferences, conventions, and meetings	54,638	41,043	13,595	
41	Interest				
42	Depreciation, depletion, etc. (attach schedule)				
43	Other expenses not covered above (itemize):				
a	Contracted Services	59,359	38,999	20,360	
b	Advertising and Promotions	2,053	1,115	938	
c	Dues and Subscriptions	12,210	4,767	7,443	
d	Insurance and Bonding	21,007		21,007	
e	Books and Reference Materials	1,044	1,044		
f	Miscellaneous Expenses	602		602	
g	See Statement	56,763	40,076	16,687	
44	Total functional expenses. Add lines 22a through 43g (Organizations completing columns (B)-(D), carry these totals to lines 13-15)	10,859,735	10,226,301	633,434	

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 IV Balance Sheets (See the instructions.)

Note: Where required, attached schedules and amounts within the description column should be for end-of-year amounts only

		(A)		(B)	
		Beginning of year		End of year	
Assets	45 Cash—non-interest-bearing	205,910	45	363,431	
	46 Savings and temporary cash investments		46		
	47a Accounts receivable	47a			
	b Less: allowance for doubtful accounts	47b	21,623	47c 36,374	
	48a Pledges receivable	48a			
	b Less: allowance for doubtful accounts	48b		48c	
	49 Grants receivable			49	
	50a Receivables from current and former officers, directors, trustees, and key employees (attach schedule)			50a	
	b Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) (attach schedule)			50b	
	51a Other notes and loans receivable (attach schedule)	51a			
	b Less: allowance for doubtful accounts	51b		51c	
	52 Inventories for sale or use			52	
	53 Prepaid expenses and deferred charges			53	
	54a Investments—publicly-traded securities <input type="checkbox"/> Cost <input type="checkbox"/> FMV			54a	
	b Investments—other securities (attach schedule) <input type="checkbox"/> Cost <input type="checkbox"/> FMV			54b	
	55a Investments—land, buildings, and equipment: basis	55a			
	b Less: accumulated depreciation (attach schedule)	55b		55c	
	56 Investments—other (attach schedule)			56	
	57a Land, buildings, and equipment: basis	57a			
b Less: accumulated depreciation (attach schedule)	57b		57c		
58 Other assets, including program-related investments (describe ►)			58		
59 Total assets (must equal line 74) Add lines 45 through 58		227,533	59	399,805	
Liabilities	60 Accounts payable and accrued expenses	1,132	60	3,085	
	61 Grants payable	20,807	61	51,067	
	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		21,939	66	54,152
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 67 through 69 and lines 73 and 74.				
	67 Unrestricted	205,594	67	285,654	
	68 Temporarily restricted		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 and column (B) must equal line 21)		205,594	73	285,654
	74 Total liabilities and net assets/fund balances. Add lines 66 and 73		227,533	74	339,805

Part VI Other Information (continued)		Yes	No
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 <i>quid pro quo</i> 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?		
	84b		
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?	85g	
	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?	85h	
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	
88a	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		✓
	b At any time during the year, did the organization, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," complete Part XI		✓
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	89b	✓
	c Enter: Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958 ▶ _____		
	d Enter: Amount of tax on line 89c, above, reimbursed by the organization ▶ _____		
	e All organizations. At any time during the tax year, was the organization a party to a prohibited tax shelter transaction?	89e	✓
	f All organizations. Did the organization acquire a direct or indirect interest in any applicable insurance contract?	89f	✓
	g For supporting organizations and sponsoring organizations maintaining donor advised funds. Did the supporting organization, or a fund maintained by a sponsoring organization, have excess business holdings at any time during the year?	89g	✓
90a	List the states with which a copy of this return is filed ▶ <u>None</u>		
	b Number of employees employed in the pay period that includes March 12, 2006 (See instructions.)	90b	29
91a	The books are in care of ▶ <u>Pamela J. Dowdy</u> Telephone no. ▶ <u>(919) 851-9550</u> Located at ▶ <u>1121 Situs Court, Suite 250 Raleigh, NC</u> ZIP + 4 ▶ <u>27606</u>		
	b At any time during the calendar year, did the organization have an interest in or a signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account)?	91b	✓
	If "Yes," enter the name of the foreign country ▶ _____ See the instructions for exceptions and filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.		

Part VI Other Information (continued)

c At any time during the calendar year, did the organization maintain an office outside of the United States? **91c** Yes No
 If "Yes," enter the name of the foreign country ▶

92 Section 4947(a)(1) nonexempt charitable trusts filing Form 990 in lieu of Form 1041—Check here and enter the amount of tax-exempt interest received or accrued during the tax year ▶ | **92** |

Part VII Analysis of Income-Producing Activities (See 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	35,996	
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 <u>Sales Tax Refunds</u>					17,587
b <u>Multi-Accounting and Contracting Services</u>					32,000
c <u>More at Four Administrative Fee</u>					100,787
d <u>Grantee Program Service Fees</u>					23,973
e <u>Miscellaneous Income</u>					477
104 Subtotal (add columns (B), (D), and (E))				35,996	174,824
105 Total (add line 104, columns (B), (D), and (E))					210,820

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

Part VIII Relationship of Activities to the Accomplishment of Exempt Purposes (See 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).
	See Attached Schedule

Part IX Information Regarding Taxable Subsidiaries and Disregarded Entities (See 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 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).

Part XI Information Regarding Transfers To and From Controlled Entities. Complete only if the organization is a controlling organization as defined in section 512(b)(13).

106 Did the reporting organization make any transfers to a controlled entity as defined in section 512(b)(13) of the Code? If "Yes," complete the schedule below for each controlled entity.	Yes	No
		✓

	(A) Name, address, of each controlled entity	(B) Employer Identification Number	(C) Description of transfer	(D) Amount of transfer
a	----- -----			
b	----- -----			
c	----- -----			
Totals				

107 Did the reporting organization receive any transfers from a controlled entity as defined in section 512(b)(13) of the Code? If "Yes," complete the schedule below for each controlled entity.	Yes	No
		✓

	(A) Name, address, of each controlled entity	(B) Employer Identification Number	(C) Description of transfer	(D) Amount of transfer
a	----- -----			
b	----- -----			
c	----- -----			
Totals				

108 Did the organization have a binding written contract in effect on August 17, 2006, covering the interest, rents, royalties, and annuities described in question 107 above?	Yes	No
		✓

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	Signature of officer: <u>Michael L. Weisel</u>	Date: <u>11/13/07</u>
	Type or print name and title: <u>MICHAEL L. WEISEL, CHAIR</u>	

Paid Preparer's Use Only	Preparer's signature: _____	Date: _____	Check if self-employed: <input type="checkbox"/>	Preparer's SSN or PTIN (See Gen. Inst. X): _____
	Firm's name (or yours if self-employed), address, and ZIP + 4: _____	EIN: _____	Phone no: (____) _____	

SCHEDULE A
(Form 990 or 990-EZ)

Organization Exempt Under Section 501(c)(3)

(Except Private Foundation) and Section 501(e), 501(f), 501(k), 501(n),
or 4947(a)(1) Nonexempt Charitable Trust

OMB No 1545-0047

2006

Department of the Treasury
Internal Revenue Service

Supplementary Information—(See separate instructions.)

▶ **MUST be completed by the above organizations and attached to their Form 990 or 990-EZ**

Name of the organization Wake County Smart Start, Inc.	Employer identification number 56 : 1949415
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Part I Compensation of the Five Highest Paid Employees Other Than Officers, Directors, and Trustees
(See page 2 of the instructions. List each one. If there are none, enter "None.")

(a) Name and address of each employee paid more than \$50,000	(b) Title and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans & deferred compensation	(e) Expense account and other allowances
Gabrielle Barnard Apex, NC	Controller - 40	74,676	11,578	86,254
Elizabeth Santana Raleigh, NC	Dir of Qual Enhancement -40	69,373	11,301	80,674
Melinda Schlesinger Cary, NC	Evaluation Manager - 40	57,662	10,563	68,225
Debi Bartholomew	MAF Manager- 40	55,612	10,429	66,041
Total number of other employees paid over \$50,000 . ▶ 0				

Part II-A Compensation of the Five Highest Paid Independent Contractors for Professional Services
(See page 2 of the instructions. List each one (whether individuals or firms). If there are none, enter "None.")

(a) Name and address of each independent contractor paid more than \$50,000	(b) Type of service	(c) Compensation
None		
Total number of others receiving over \$50,000 for professional services ▶		

Part II-B Compensation of the Five Highest Paid Independent Contractors for Other Services
(List each contractor who performed services other than professional services, whether individuals or firms. If there are none, enter "None." See page 2 of the instructions.)

(a) Name and address of each independent contractor paid more than \$50,000	(b) Type of service	(c) Compensation
None		
Total number of other contractors receiving over \$50,000 for other services ▶		

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

Yes No

<p>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 3B, Part VI-A, or line i of Part VI-B)</p>	1		✓
<p>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.</p>			
<p>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.)</p>			
<p>a Sale, exchange, or leasing of property?</p>	2a		✓
<p>b Lending of money or other extension of credit?</p>	2b		✓
<p>c Furnishing of goods, services, or facilities?</p>	2c		✓
<p>d Payment of compensation (or payment or reimbursement of expenses if more than \$1,000)?</p>	2d		✓
<p>e Transfer of any part of its income or assets?</p>	2e		✓
<p>3a Did the organization make grants for scholarships, fellowships, student loans, etc? (If "Yes," attach an explanation of how the organization determines that recipients qualify to receive payments)</p>	3a		✓
<p>b Did the organization have a section 403(b) annuity plan for its employees?</p>	3b		✓
<p>c Did the organization receive or hold an easement for conservation purposes, including easements to preserve open space, the environment, historic land areas or historic structures? If "Yes," attach a detailed statement</p>	3c		✓
<p>d Did the organization provide credit counseling, debt management, credit repair, or debt negotiation services?</p>	3d		✓
<p>4a Did the organization maintain any donor advised funds? If "Yes," complete lines 4b through 4g. If "No," complete lines 4f and 4g</p>	4a		✓
<p>b Did the organization make any taxable distributions under section 4966?</p>	4b		✓
<p>c Did the organization make a distribution to a donor, donor advisor, or related person?</p>	4c		✓
<p>d Enter the total number of donor advised funds owned at the end of the tax year ▶ _____</p>			0
<p>e Enter the aggregate value of assets held in all donor advised funds owned at the end of the tax year . . ▶ _____</p>			0
<p>f Enter the total number of separate funds or accounts owned at the end of the tax year (excluding donor advised funds included on line 4d) where donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts ▶ _____</p>			0
<p>g Enter the aggregate value of assets held in all funds or accounts included on line 4f at the end of the tax year ▶ _____</p>			0

Part IV Reason for Non-Private Foundation Status (See pages 4 through 7 of the instructions.)

I certify that 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 otherwise meets the requirements of section 509(a)(3). Check the box that describes the type of supporting organization:
 Type I Type II Type III-Functionally Integrated Type III-Other

Provide the following information about the supported organizations. (See page 7 of the instructions)

(a) Name(s) of supported organization(s)	(b) Employer identification number (EIN)	(c) Type of organization (described in lines 5 through 12 above or IRC section)	(d) Is the supported organization listed in the supporting organization's governing documents?		(e) Amount of support
			Yes	No	
Total					

- 14 An organization organized and operated to test for public safety. Section 509(a)(4) (See page 7 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) 2005	(b) 2004	(c) 2003	(d) 2002	(e) Total
15 Gifts, grants, and contributions received. (Do not include unusual grants. See line 28) .	9,883,575	8,669,669	7,576,874	6,785,536	32,915,654
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	21,016	7,329	6,591	4,723	39,659
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	55,275	24,210	28,213	29,952	137,650
23 Total of lines 15 through 22	9,959,866	8,701,208	7,611,678	6,820,211	33,092,363
24 Line 23 minus line 17	9,959,866	8,701,208	7,611,678	6,820,211	33,092,363
25 Enter 1% of line 23	99,598	87,012	76,117	68,202	
26 Organizations described on lines 10 or 11: a Enter 2% of amount in column (e), line 24 ▶					26a 661,859
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 2002 through 2005 exceeded the amount shown in line 26a. Do not file this list with your return. Enter the total of all these excess amounts ▶					26b None
c Total support for section 509(a)(1) test: Enter line 24, column (e) ▶					26c 33,092,363
d Add Amounts from column (e) for lines: 18 <u>39,659</u> 19 _____					26d 177,309
22 <u>137,650</u> 26b _____ ▶					
e Public support (line 26c minus line 26d total) ▶					26e 32,915,054
f Public support percentage (line 26e (numerator) divided by line 26c (denominator)) ▶					26f 99 4 %
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:					
(2005) N/A (2004) N/A (2003) N/A (2002) N/A					
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 11b, 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:					
(2005) N/A (2004) N/A (2003) N/A (2002) N/A					
c Add Amounts from column (e) for lines: 15 _____ 16 _____					27c N/A
17 _____ 20 _____ 21 _____ ▶					
d Add Line 27a total _____ and line 27b total _____ ▶					27d N/A
e Public support (line 27c total minus line 27d total) ▶					27e N/A
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 N/A %
h Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator)) ▶					27h N/A %
28 Unusual Grants: For an organization described in line 10, 11, or 12 that received any unusual grants during 2002 through 2005, 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 9 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 10 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	41
	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 13 of the instructions.)

Calendar year (or fiscal year beginning in) ▶	Lobbying Expenditures During 4-Year Averaging Period				
	(a) 2006	(b) 2005	(c) 2004	(d) 2003	(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 13 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.)			N/A

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

Agency	Program/Activity	Amount
ABC Land, Inc II , Raleigh, NC	More at Four Pre-Kindergarten	\$ 288,793
Academically Based Child Care , Raleigh, NC	More at Four Pre-Kindergarten	272,952
Appletree Daycare, Inc , Raleigh, NC	More at Four Pre-Kindergarten	145,197
Bnght Beginnings of Cary, Inc , Cary NC	More at Four Pre-Kindergarten	263,540
Bnght Honzons Children's Centers, Inc	More at Four Pre-Kindergarten	134,221
Bnght Honzons at the Forum	More at Four Pre-Kindergarten	135,871
Buttons and Bows I, Raleigh, NC	More at Four Pre-Kindergarten	74,823
Buttons & Bows II, Raleigh, NC	More at Four Pre-Kindergarten	271,644
Cary Children's Center, Cary, NC	More at Four Pre-Kindergarten	145,162
Childcare Network #59, Raleigh, NC	More at Four Pre-Kindergarten	273,948
Childcare Network Brentwood Rd, Raleigh, NC	More at Four Pre-Kindergarten	409,770
Early Preschool & Learning Center, LLC, Raleigh,NC	More at Four Pre-Kindergarten	145,980
Fuquay Vanna Early Learning Center, Fuquay Varina, NC	More at Four Pre-Kindergarten	387,073
Harp's Mill Creative School, Raleigh, NC	More at Four Pre-Kindergarten	136,476
Heather Park Child Development Center, Garner, NC	More at Four Pre-Kindergarten	135,822
Jordan Child & Family Ennchment Ctr, Raleigh, NC	More at Four Pre-Kindergarten	325,122
Little Pros Academy Holdings, Inc (Kidworks), Raleigh,NC	More at Four Pre-Kindergarten	72,487
LaPetite - Pleasant Pines, Raleigh, NC	More at Four Pre-Kindergarten	74,880
Lord of Life Preschool and Kindergarten Academy, Garner, NC	More at Four Pre-Kindergarten	145,980
Method Child Development Center, Inc , Raleigh, NC	More at Four Pre-Kindergarten	131,149
Pleasant Day Preschool Center, Raleigh, NC	More at Four Pre-Kindergarten	57,086
Raleigh Nursery School, Inc , Raleigh, NC	More at Four Pre-Kindergarten	129,760
The Happy Face Preschool and Child Care, Inc , Raleigh, NC	More at Four Pre-Kindergarten	146,610
Upper Room Chstian Academy and Preschool, Inc , Raleigh, NC	More at Four Pre-Kindergarten	317,349
Wake Co Public Schools, Raleigh, NC	More at Four Pre-Kindergarten	84,721
Wakefield Children's Center, Raleigh, NC	More at Four Pre-Kindergarten	122,962
Telamon NC Head Start Program, Knightdale, Cary, and Raleigh, NC	More at Four Pre-Kindergarten	376,335
	Total GL #6100	5,205,713
Catholic Charities, Raleigh, NC	Family Outreach and Resource	95,460
Child Care Services Assoc, Chapel Hill, NC	Prof Dev Planning for CC Prov	118,072
Child Care Services Assoc, Chapel Hill, NC	Substitute Support in CC Settings	251,558
Community Partnerships, Raleigh, NC	Consult And Supp for Child Spec	271,549
El Pueblo, Raleigh, NC	Family Literacy	49,897
Family Supp Network, Raleigh, NC	Parental Supp for Fam Child Spec	66,108
Learning Together, Raleigh, NC	Consult And Supp for Child Spec	152,952
Literacy Council, Raleigh, NC	Family Literacy	53,095
Lucy Daniels Center, Raleigh, NC	Soc/Emot Screens, Ref & Interv	228,096
Lutheran Family Svcs, Raleigh, NC	Intensive Home Visiting & Support	86,348
Motheread, Raleigh,NC	Family Literacy	78,719
Project Enlightenment, Raleigh, NC	Parents as Teachers Home Visiting	349,791
Project Enlightenment, Raleigh, NC	Supp Children's Trans to Kinder	116,655
Project Enlightenment, Raleigh, NC	Consult And Supp for Child Spec	238,991
Project Enlightenment, Raleigh, NC	Speech/Lang & Hearing Screen	114,348
SAFEchild, Raleigh, NC	Intensive Home Visiting & Support	80,411
Salvation Army, Raleigh, NC	Family Outreach and Resource	63,487
Wake Co Human Svcs, Raleigh, NC	Community Action Plan for Y Child	105,686
Wake Co Human Svcs, Raleigh, NC	Pediatric Surveillance Mentoring	186,118
Wake Co Human Svcs, Raleigh, NC	Intensive Home Visiting & Support	98,479
Wake Co Human Svcs, Raleigh, NC	Health, Safety & Nutrition T/A	289,107
Wake Co Human Svcs, Raleigh, NC	Consult And Supp for Child Spec	51,144
Wake Medical Center, Raleigh, NC	Hospital to Home Early Intervention	165,151
Wake Tech, Raleigh, NC	Early Childhood Educatin Faculty	67,801
Youth and Education Achivement Ctr, Raleigh, NC	Intensive Home Visiting & Support	48,997
	Total GL #6200	3,428,020
A Multitude of Angels	Quality Enhancement Initiative	669
ABC Childcare, Raleigh, NC	Quality Enhancement Initiative	20
Absolute Brilliant Kids, Raleigh, NC	Quality Enhancement Initiative	725
Appletree Day Care II, Raleigh, NC	Quality Enhancement Initiative	3,650
Appletree Day Care, Raleigh, NC	Quality Enhancement Initiative	8,388
Babes & Kids Creative Center, Raleigh, NC	Quality Enhancement Initiative	5,882

<i>Agency</i>	<i>Program/Activity</i>	<i>Amount</i>
Busy Bees, Raleigh, NC	Quality Enhancement Initiative	735
Buttons and Bows II, Raleigh, NC	Quality Enhancement Initiative	3,278
Country Day Montesson, Raleigh, NC	Quality Enhancement Initiative	8,018
Creative Kidz Academy, Raleigh, NC	Quality Enhancement Initiative	9,971
Executive Park Learning Cntr, Cary, NC	Quality Enhancement Initiative	5,526
Fuquay-Vanna Early Learning Center, Fuquay Vanna, NC	Quality Enhancement Initiative	9,776
Harps Mill Creative School, Raleigh, NC	Quality Enhancement Initiative	5,922
Kiddle University, Raleigh, NC	Quality Enhancement Initiative	7,894
Knowledge Beginnings, Raleigh, NC	Quality Enhancement Initiative	9,746
Learning Together, Inc , Raleigh, NC	Quality Enhancement Initiative	2,819
Lil' Angels, Raleigh, NC	Quality Enhancement Initiative	12,962
Little Blessings Home, Raleigh, NC	Quality Enhancement Initiative	696
Manah's Child Preschool Cntr, Inc , Raleigh, NC	Quality Enhancement Initiative	5,866
Milestone Academy, Raleigh, NC	Quality Enhancement Initiative	557
Miss Angela's Daycare, Raleigh, NC	Quality Enhancement Initiative	733
Nanny's Nursery, Raleigh, NC	Quality Enhancement Initiative	725
North Raleigh Country Day School, Raleigh, NC	Quality Enhancement Initiative	7,485
Varous, Raleigh NC	Quality Enhancement Initiative	174
OB Learning Home Center, Raleigh, NC	Quality Enhancement Initiative	714
Pam's Daycare of North Raleigh, Raleigh, NC	Quality Enhancement Initiative	9,791
Pam's School of Raleigh, Raleigh, NC	Quality Enhancement Initiative	7,793
Precious Lambs Early Learnng Cntr, Raleigh, NC	Quality Enhancement Initiative	1,571
Ready or Not, Here I Grow, Raleigh, NC	Quality Enhancement Initiative	8,357
Shining Star Family Day Care, Raleigh, NC	Quality Enhancement Initiative	728
Susan's TLC, Raleigh, NC	Quality Enhancement Initiative	683
The New School Montesson, Raleigh, NC	Quality Enhancement Initiative	4,698
Word of God Fellowship Day, Raleigh, NC	Quality Enhancement Initiative	15,829
Xtra Special Loving Daycare, Raleigh, NC	Quality Enhancement Initiative	20
Telamon NC Head Start Program, Knightdale, Cary, and Raleigh, NC	Quality Enhancement Initiative	11,153
	Total GL #6900	173,552
Wakefield Children's Center, Raleigh, NC	More at Four Pre-Kindergarten	8,991
	Total GL #6901	8,991
Stipends Varous Centers, Raleigh, NC	More at Four Pre-Kindergarten	49,000
	Total GL #6600	49,000
Community Partnerships, Inc , Raleigh, NC	Consult And Supp for Child Spec	5,355
	Total GL #6200	5,355
Grand Total-Contracts and Grants		\$ 8,870,631

WAKE COUNTY SMART START, INC.
INCOME TAX SCHEDULES
June 30, 2007
56-1949415

Form 990, Part II, Line 43-Other Functional Expenses

Description	Total Expenses	Program Service	Management & General	Fundraising
Property and Equipment	\$ 15,858	\$ 7,585	\$ 8,273	
Repair and Maintenance	\$ 9,634	1,220	8,414	
Stipends	17,836	17,836		
Training Expenses	13,435	13,435		
Total	\$ 56,763	\$ 40,076	\$ 16,687	\$ -

Form 990, Part III(e)-Statement of Program Service Accomplishments

	Grants & Allocations	Program Service Expenses
Program Support-	\$ -	\$ 463,932

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

Form 990, Part V(a)-Current Officers, Directors and Key Employees

See Board of Directors Listing for identification of related parties

Form 990, Part VIII Relationship of Activities to the Accomplishment of Exempt Purposes

Line No 103a	Sales Tax Refund
Line No 103b	Services to local affiliates to strengthen infrastructure
Line No 103c	Administrative fee for More at Four Program - early childhood education
Line No 103d	Service fees from grantee program
Line No 103e	Miscellaneous program receipts

WAKE COUNTY SMART START, INC.
56-1949415
FOR THE YEAR ENDED 6/30/07
LIST OF OFFICERS, DIRECTORS, TRUSTEES AND KEY EMPLOYEES
FORM 990 PART V

Last Name	First Name	Business	Address	City	State	Zip	Title and Average Hours	Compensation	Contributions to EE Benefit Plans	Related Party
Anderson	Mary Ellen	Wake County Human Services	10 Sunnybrook Road	Raleigh	NC	27610	Board Meeting	0	0	
Anderson	Paul	Baptist Grove Church	7109 Leesville Road	Raleigh	NC	27613	Board Meeting	0	0	
Barnes	Neil	Learning Together, Inc	568 E Lenoir Street	Raleigh	NC	27601	Board Meeting	0	0	Y
Cain	Kevin	John Rex Endowment	PO Box 25425	Raleigh	NC	27611	Board Meeting	0	0	
Cousins	Dale	Wake County Public Library	1930 Clark Avenue	Raleigh	NC	27605	Board Meeting	0	0	
DeLong	Paula	Telamon	568 E Lenoir Street Suite 213	Raleigh	NC	27601	Board Meeting	0	0	Y
Dietrich	Sandra	Wake Technical Community College	9101 Fayetteville Road	Raleigh	NC	27603	Board Meeting	0	0	
Hargens	Donna	Wake County Public School System	3600 Wake Forest Road P O Box 28041	Raleigh	NC	27611	Board Meeting	0	0	Y
Lester	Darryl	Hindsight Consulting	2205 Up Above Lane	Raleigh	NC	27614	Board Meeting	0	0	
Martin	Kym	Community Volunteer	5656 Normanshire Drive	Raleigh	NC	27606	Board Meeting	0	0	
Martin	Shante	NC Dept of Justice	PO Box 629	Raleigh	NC	27602	Board Meeting	0	0	
Miller	Michele	Discovery Space Family Child Care Home	3034 Slippery Elm Drive	Raleigh	NC	27610	Secretary Board Meeting	0	0	Y
Mitchell	Carol	Wake County Cooperative Extension	4001-E Carya Drive	Raleigh	NC	27610	Board Meeting	0	0	Y
Morns	Peter	Wake County Human Services	PO Box 46833	Raleigh	NC	27620	Board Meeting	0	0	Y
Orr	Louise	Community Volunteer	3525 Carlton Square Place	Raleigh	NC	27612	Board Meeting	0	0	
Poteat	Hannah	Community Volunteer	2301 Gaddy Drive	Raleigh	NC	27609	Board Meeting	0	0	
Rodriguez	Gemimah	SAFEChild	804 Northwest Maynard Road	Cary	NC	27513	Board Meeting	0	0	Y
Rutowski	Donna	Maupin Taylor	5401 LaFayette Drive	Fuquay- Vanna	NC	27526	Treasurer Board Meeting	0	0	
Schaffer	Camille	Wake County Finance	PO Box 550	Raleigh	NC	27602	Board Meeting	0	0	Y
Scott	Steve	Wake Technical Community College	9101 Fayetteville Road	Raleigh	NC	27603	Board Meeting	0	0	
Stikeleather	Jane	Community Volunteer	1913 Banbury Road	Raleigh	NC	27608	Board Meeting	0	0	
Thurston	Norns	Community Volunteer	6405 Lakeland Drive	Raleigh	NC	27612	Board Meeting	0	0	
Urzi	Mary	Wake County Human Services	PO Box 46833	Raleigh	NC	27620	Board Meeting	0	0	Y
Webb	Harold	Wake County Board of Commissioners	1509 Tierney Circle	Raleigh	NC	27610	Board Meeting	0	0	
Weisel	Michael	Bailey & Dixon, LLP	P O Box 1351	Raleigh	NC	27602	Chairman Board Meeting	0	0	
Zonderman	David	NCSU - History Department	Box 8108	Raleigh	NC	27695	Vice- Chairman Board Meeting	0	0	

**WAKE COUNTY SMART START, INC.
INCOME TAX SCHEDULES
FOR THE YEAR ENDED 6/30/07
56-1949415**

Form 990, Schedule A, Part IV-A, Support Schedule-Other Income, Line 22(a)

Sales Tax Refunds	\$ 14,075
Early Lease Termination Fee	25,200
MAC Services	<u>16,000</u>
 Total	 <u>\$ 55,275</u>